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INTER-ARAB AFFAIRS

CURRENT SITUATION IN GULF AND PROSPECTS FOR 80'S

Kuwait AL-'ARABI in Arabic Jan 80 pp 6-15

[Monthly editorial by AL-'ARABI's chief editor Ahmad Baha-'al-Din: "In the 70's the Questions Were...and Now We Face the Answers: The Arabs and the 80's"]

[Text] The events which we witnessed and lived through during the 70's are too many to be counted and enumerated, even if we contented ourselves with [being interested in] only the few outstanding ones.

They are events which brought us the epitome of scientific progress, such as the birth of the test-tube baby, and the basest of human backwardness, such as the massacres in Vietnam and the starving in Cambodia.

They are events which, if someone were to record them, would take up as many pages as it would to cover the events of 1,000 years of the world's history before that time, and not merely 10 years [worth of pages].

Some of these events concern the whole world, and, of course, they concern us as well. And some of the events mainly concern us Arabs, and concern the whole world also. This [group of events] is what we are going to concentrate on.

Our discussion will be about the 80's. But if we make references to the 70's, the only reason is because [the 70's] contain the seeds of what we should expect in the 80's.

The World from Politics to Morals

On the international level there were big events which were political, military, spiritual, and moral.

There was the end of the war in Vietnam, the result of which was an American defeat. There was Nixon's trip to China. And there was the new bridge between Africa and China. Then there was the signing of the

first agreement to limit nuclear weapons (Salt-1), and the signing of the second agreement between Russia and America (Salt-2) is still faltering in Congress. There was the war between India and Pakistan which resulted in the independence of Bangladesh. There was the fall of Franco in Spain, Salazar in Portugal, and the colonels in Greece. There was the independence of the rest of Africa, in particular Angola and Mozambique, with only Rhodesia remaining. Then there was the journey by Deng Xiaoping to America and the journey by Hua Guofeng to eastern [sic] Europe. And there was the attempt to change the great alliances between the four centers of power: Russia, China, America, and western Europe, not on doctrinaire principles, but on principles which are purely geographical and national. Then there was the death of Mao Tse Tung, the fall of his successors, and another political trend which took over China. And there was the fall of the Labor government in England and the attempt of the new government, led by Margaret Thatcher, to dismember the "semi-socialist" welfare state in England. And there was the general movement of the international pendulum toward the right in the nationalist and progressive countries, as well as the appearance of an economic phenomenon which has been unprecedented in the capitalist world: enormous inflation, huge public expenditures, and unemployment, all at the same time. Previously the capitalist world had suffered from each of these problems separately, on the basis that they were shortcomings which would never come together under the same roof.

On the spiritual level, we find that the 70's were full of other momentous changes.

The distance between peoples and their rulers, whatever their regimes were, increased tremendously. And there predominated an atmosphere of unprecedented lack of confidence in rulers. This was the result of the discovery of a high degree of corruption among the rulers. [For example, there was] the Watergate scandal in Washington and its result, which was the first time an American president ever resigned from his post. There was the resignation of America's vice-president Spiro Agnew, accused of receiving bribes in his White House office. [Also there were] the bribery scandals of the large corporations Lockheed, ITT, and others, involving high-ranking rulers such as Tanaka, the prime minister of Japan, Prince (Bernhard), the husband of the Queen of Holland, a number of ministers in the Christian Democratic Party in Italy, and the suicide of a French minister belonging to President Giscard d'Estaing's party.

The second thing which happened between the rulers and those who are ruled was a loss of confidence and lack of faith, as a result of duplicity by Nixon and Kissinger in Vietnam and Cambodia, the CIA's intervention in bringing down Allende's government in Chile, its financing political parties in Italy, and the revelation of its attempts to assassinate Sukarno, Castro, and others.

And, for the first time, giant multinational corporations were subjected to bitter attacks due to their disregard for the sovereignty of other nations, using legal loopholes, and corrupting [people's] consciences on the highest levels--after these multinational corporations had steadily grown larger after World War I and the world had been dazzled by them, considering them the modern instrument of progress.

These conditions, which dug trenches and wells of suspicion and distrust, led to the appearance of extremist movements, violent movements, and what was called "urban guerrilla warfare." We saw its phenomena in Italy where judges, clergymen, and Aldo Moro, the prime minister, were killed. [And we saw it] in France, West Germany, Spain, and the United States, starting with the armed groups which kidnapped the judges in the "Angelo Davis" case and ending up with the gang which Patricia Hearst participated in, plane hijacking, the murder of ambassadors, and assassination of judges. Similarly, there was the outbreak of robberies of large banks and kidnapping of millionaires, to be exchanged for huge ransoms.

Aside from all this, there was the spread of trends which consider that the old virtues have become obsolete, and a life of cohabitation between men and women, without marriage, has come to be a normal thing, recognized by some of the courts. Illegitimate children have come to be a source of pride to fathers and mothers who number among the famous artists and entertainers, [and are splashed] all over the pages of newspapers. Homosexuals have become active, and have come to have their own groups, demonstrations, newspapers, and candidates in elections! And Princess Margaret, the sister of the Queen of England, has started appearing in the newspapers with her lovers, one after another!

All of the experts have become convinced that the world is divided into the rich and the poor, that the rich are getting richer and the poor are getting poorer, that the search for a new world system is as difficult as grabbing a mirage, and that the advent of a disaster is perhaps proceeding at a faster rate than the turning up of a solution [for this problem].

And Man has lost confidence in the ultimate thing which concerns his personal security, that is, his government's currency and his own savings. Currency rates are going up and coming down like rocket flares that explode and trickle down. Speculation has swept over everything, [causing] the most deeply-rooted pillars of world stability to be shaken and [forcing] Man to rush headlong back to the oldest form of security which he can feel sure of, which is the acquisition of gold.

And after Man has traveled, for centuries, through [the realm of] theories and philosophies, he has returned to the oldest and simplest of his demands, which is human rights.

The Arabs in Rough Seas

As for the scene in the Arab world, the most important events in the 70's, which had, and will [continue to] have, profound effects on the lives of Arabs, are the following, which are not necessarily in order of importance:

The October War of 1973.

The use of oil as a weapon for the first time in a political struggle, and consequently the appearance of petroleum's political nature.

The Israeli-Egyptian peace treaty, and the resulting change in the area's strategic map and the huge question mark concerning future Arab relations.

Khomeyni's revolution in Iran.

The increase in world inflation.

The increase in oil revenues for the Arab countries, and the enormous advantages and--in equal measure--great dangers that it has brought.

The civil war in Lebanon.

The Soviet presence in the Horn of Africa, actually in Ethiopia--at the Bab el Mandeb entrance to the Red Sea.

The American armed presence at the entrance to the Arabian Sea, at the Straits of Hormuz, which lead to the Gulf.

Iran's decision to withdraw its assets from America, and America's response by freezing all of Iran's assets in American banks in America and in all other places in the world.

The indirect armed struggle between Algeria and Morocco, via the "Polisario" in Western Sahara, from which Spain withdrew and which overlooks the Atlantic Ocean.

The entry of the PLO into international arenas which had been closed to it, in particular the countries of western Europe, and America's efforts to secretly contact the PLO, thereby violating its commitment to Israel.

The Marxist coup in Afghanistan, and the counterrevolution which opposes it and is still going on.

Ten years of questions...

Ten Years of Answers?

The fact is that it is generally a familiar thing to us to find that every age [in history] answers previous questions and raises new questions. And usually there remain questions which, during the course of centuries, have remained unanswered.

And this shows up particularly in the case of us Arabs.

Maybe because the Arab nation is generally a developing nation, which is experimenting with its path after a long hibernation, in the midst of a modern, dangerous world. And because, at the same time, it is a nation possessing an ancient civilization and a time-honored legacy. It is not beginning from zero, like some of the other third-world countries in Africa and Latin America which have only traditions. It is looking both forward and backward, and trying to achieve progress by means of a mixture of deep-rooted authenticity and modernization. This has made the questions, trials, and tribulations, which it faces, more profound and more complicated.

And because, over and above all this--over and above the issues of identity, existence, and growth--it is occupied with two basic issues, which have now come to directly concern the whole world: the Palestine problem and the oil problem. This has given [the Arab nation] a special position and has brought about a situation in which the Arab nation's answers depend not only upon it [itself], nor are they merely a matter of being its own internal affairs. They are a burning and sensitive part of the affairs and anxieties of the [whole] world.

Why Did We Choose These Events?

It was precisely in light of this that we chose the aforementioned issues or events which we singled out from among the pages of the 70's.

For example:

During the 70's some of the Arab countries, led by Egypt, tried out the weapon of war with Israel in 1973. Then an Arab country, that is, Egypt, tried out the weapon of peace with Israel in 1977. This was followed by a sharply polarized division of the Arabs, in the realm of their search for an appropriate answer to the sharp Israeli challenge. And here we have already entered the 80's, and the question has been raised: Is the answer to be found in one of [these two weapons] to the exclusion of the other, or in both of them together? This is one of the most significant questions which I believe the 80's must resolve, no matter how varied opinions might be.

The Palestinian Revolution

The Palestinian revolution plunged into armed conflict which was as violent as conflict can be, all the way from wars of [direct] confrontation to wars of infiltration to foreign operations. And now, in addition to this, it is crossing the thresholds of the international assemblies

from which it used to be barred, including Yasir 'Arafat's speech in the UN and his meeting with the leaders of the "Third International" in Vienna. Will the two weapons supplement each other--that is, the rifle and the olive branch, as Abu 'Ammar said in his speech in the UN? Or, will it prove impossible to join the two, such that there will be no choice but to continue to use only one of the weapons?

The Revolution in Iran

Iran is not an Arab country, and does not belong to the Arab world, in the sense that we understand this term.

But, Iran is a Moslem country, and Islam is the most important element of the Arab spirit, is the strongest part of the Arab legacy, and the thing which contributes the most in the formation of the Arab psyche.

There have been a number of attempts to establish Islamic states which join the old and the new. [They include the attempts of] Zia ul-Haq in Pakistan, who appears not to be doing more than cloaking his military regime in Islamic attire which is suspect, and President Qadhdhafi who is presenting another type of experiment.

Khomeyni is in a country of 35 million people who have numerous identities and belong to numerous ethnic groups, which are united only by Islam. He is making an attempt which is especially important because of the existence of these conditions. The experiment he is attempting is the one most like Muhammad 'Abduh's reform movement [in Egypt], and he wants to prove that it is possible to administer a modern state, proceeding from the point where the Caliph 'Ali ibn Abi-Talib left the Moslems. Consequently, the success of the attempt, or its failure, will deeply affect the world of the Arabs and the future of the [Arab world's] religious trends.

The Oil Weapon

The Arabs were the first ones to use oil as a weapon. Since the rise in prices in 1973 the whole world scene has changed such that there is no going back to the way things were before. And since that time oil has become a political matter, after attempts to keep it out of politics which had been going on practically since it was [first] discovered.

And now Iran, in another way, has used two of the Arabs' weapons!

[It has used] the oil weapon, by means of another type of decision, which was to completely cut it off from one of the large consumer countries, that is, America.

[And it has used] the weapon of withdrawing its bank deposits and capital. This is a weapon which also exists in the arsenal of the Arabs,

but it has not yet been tried out. America responded by freezing all of these deposits and this capital. And as these lines are being written, we still do not know who is the winner and who is the loser in this contest.

All of this will have its effect on the thinking of the Arabs. Either the Arabs will consider it to be a weapon which is still effective, or they will consider it to be a weapon which has lost its effectiveness, and will scratch it from the list in their arsenal [of weapons]. In any case, the event will affect the way in which Arab money is channeled and invested, and this raises vital and momentous questions which are of concern to the Arabs and to the world.

The advance of the Soviet military presence up to the edges of the Arab bloc at Bab el Mandeb, and the advances of a direct American military presence up to the edges of the entrance to the Gulf [raises the following question]. Will the Arabs, who are divided, let the great powers continue their game, or will they, united, be able to remove this infernal game from their domain and then maintain, for themselves, the upper hand in determining their [own] destiny? Will they retreat, as the Ottoman Turks did in the East and as the Arabs in Spain did in the West, in the face of new foreign expansion?

Or will they stand their ground and be firm, as they did when they destroyed the Persian, Byzantine, and Roman empires--depending more on their inner steadfastness and new higher ideals than on what they accomplished by force of arms, which their enemies had an abundance of and which [the Arabs] had in smaller quantities?

And finally--and this is actually of primary importance in the context of these examples--will the Arabs find themselves and discover their identity, so that they can be more easily united, and not hack each other to pieces, or will their ranks collapse in the face of the invasion of foreign ideas?

The illiteracy rate in our countries is staggering. And legends are powerful enough to compete against reason. And the outside world, in the age of books, newspapers, radio, television, and all other types of media, is more powerful than we are when it comes to propagating its opinions, beliefs, sicknesses, luxuries, traditions and patterns of morality.

The 80's will be decisive because our interlocking [involvement] with the rest of the world--politically, economically, socially, and on the human level--will reach a maximum point, like two gladiators who are entangled in a clinch because of the toughness of this struggle, until one of them kills his opponent.

Our first responsibility is to think about these matters seriously and to allow them to be publicly debated, without any fanaticism.

And without any restrictions on our freedom!

INTER-ARAB AFFAIRS

SPECULATIONS ON THE GULF'S NEXT DECADE

Kuwait AL-TALI'AH in Arabic 9 Jan 80 pp 20-22

[Article from the "Arab Affairs" section of AL-TALI'AH: "The Gulf in the 80's, Between Independence and Subordination"]

[Text] What are the characteristics of the coming decade in the Gulf? As we stand at the threshold of the 80's, and as we witness storms advancing from all directions, we wonder what types of change could occur in this area. Will this area, a center of [world] interest, remain unaffected by the radical changes which are taking place all around it, and because of it? This is a set of questions which we will attempt to answer, on the basis of a set of principal assumptions.

Is Oil a Blessing or a Curse?

In all analyses dealing with the Gulf area, oil appears as the basic and central factor which is responsible for all other economic, political, and even social activity. This area was under the direct domination of Western imperialism until the beginning of the 70's when the British pulled out. Then came the neo-imperialist policeman (the former shah) who guaranteed to his masters that their domination over the area would remain, with his participation. With his departure at the end of the 70's, the victory of the Iranian revolution, and all the changes in the political arena which it has brought about, this petroleum area appears to be, as it was when the Ottoman Empire was collapsing, in a very severe condition of instability. The logical solutions for this condition of instability are the creation of a formula for Arab unification, on the regional level, and the creation of a formula for effective collaboration on the national domestic level. A lack of recognition of this sound solution, or acknowledging it too late, would cause the 80's to be years of great turbulence. The policies that predominated in the latter half of the 70's amounted to improvisation rather than planned strategy. For example, cooperation among the countries of the Gulf is advocated, and bilateral and collective plans are announced, but everything remains mere words on paper. Also promises are made from time to time to introduce democratic liberalization, changes in domestic policies, and broader participation of the people, [in government], but this is done only to absorb resentment of domestic

public opinion. If there is continuation of these policies, at a time when the world exhibits great concern over oil and oil prices, there is no doubt that the area will be exposed to great dangers.

What Are These Dangers?

Are these dangers imaginary or real? Is it possible to imagine a scenario for them, or not? Let us begin by analyzing the public statements which we have started to hear and which the press has begun to refer to in broad outlines. They include "President Sadat's readiness to intervene to protect the security of the Gulf area." Sadat goes as far as to bring up an even more serious question, almost in the form of a threat, which is: are the Arab states in the Gulf area really (states)?!

This covert [sic] threat forces us to wonder how it is possible to solve the problem of the small entities in the Gulf area, in an age which is moving toward larger entities in order to maintain economic and social equilibrium.

It seems that all of the attempts which up till now have been made to gather these small entities into a serious larger entity have met with failure. These small entities depend upon very fragile supports. [For example], the armies or military establishments in these countries lack an important ingredient, which is human depth. Of course, this is in addition to the lack of strategic depth and expanse of land. By human depth we mean that, as a result of the predominating economic set-up, the native sons of these countries are averse to entering the military establishments for a number of reasons. The military is ultimately compelled to rely on groups made up of noncitizens, who have neither acquired the honor of citizenship nor have been well trained. These military establishments, then, need territory which has depth and personnel who are citizens.

Also, any serious type of economic growth must rely on heavy industry or finance. In this region, we find heavy competition in certain similar industries, but absence of good markets for these and absence of productive capacity in other types of industry.

Because of this fragmentation, we feel that this whole business of an agreement between Israel and Sadat and Sadat's readiness to provide military services or air [base] facilities to any American strike force, accompanied by sounds of alarm about the Soviet danger, is preparing the area to witness new turns of events ultimately leading to joint American-Israeli domination.

The Social Changes

The predominant production pattern in the Gulf area, which is a subordinate middleman capitalist economic pattern, has social consequences.

These include expansion of the cities at the expense of the countryside and the desert, destruction of all the trades, handicrafts and agricultural industries, and the growth of new social groups, dominated by a broad middle class, whose members work for the government, both in the military establishments and the civil service.

These social groups are mainly consuming groups which, due to the subordinate middleman type of economy, depend on imports from foreign countries. In this social framework a number of ideologies have arisen, the most important of which is the Islamic revival which we are witnessing everywhere. This Islamic revival has two directions:

1. A conservative interpretation of Islam which justifies all of the economic and political steps taken by the existing authorities, and [justifies] subordination to international imperialism by way of combating what it calls imported ideas and remaining loyal to the ruler, whatever his political or social stance might be. This is what international imperialism has been planning for since the beginning of the 70's and since the notorious Islamic political congresses.
2. The true revolutionary Islamic direction which rejects this situation and refuses to stand under any international umbrella. This direction grew out of the first, and began to attract many factions who wanted to get away from subordination and strive for a just solution to the growing social and economic problem of the oil-producing Gulf states. This movement has become more ambitious after the victory of the Iranian revolution and its open hostility toward any form of American hegemony.

The aggravation of the economic and social crises shows up in the pompous waste [of money], undertaken openly and publicly by members of the ruling group, in gambling casinos in the whole world, and in the acquisition of real estate and trade concessions in other countries. Since the other groups of people are deprived of [their share], a return to Islamic principles seems more than acceptable to the new social groups than at any time in the past.

Answer of Gulf States Is Security Ahead of Bread

There should be liberation of the Gulf economy from subordination and the building of a stronger, broader economic base, with a greater share for the various social groups in political and economic life. Above all, [there should be] a serious effort to dissolve national isolation into a broader entity in the Gulf through implementation of unification projects and plans. An example of this would be cooperation in unifying the currency. Today's inhabitants of the Gulf do not relish the remark that under the British flag there was a single currency in the Gulf, the rupee, and that today we find the dinar here, the dirham there and the riyal over there. In other domains, plans are still in the embryonic stage. In spite of all

public statements, economic laws still stand as a steel barrier between one principality and another, blocking the development of economic partnership.

We find that even oil policy coordination within international coordination is faltering among these [Gulf] countries. There is no uniform production policy, and there is no uniform price-setting policy. Finally, there is no uniform policy toward the petroleum industries. All of this exposes the area more and more to the danger of subordination to the West.

The only successful policy so far between these countries has been the policy of security coordination. It may seem to some people that this is necessary. But the substance of this security is the security of the few and the maintenance of the status quo. This increases bad domestic practices which in turn increase the difficulty of stabilizing security. This induces government agencies to try to present policies in a favorable light so as to pursue more thoroughly policies of persecution and repression. A better direction and a way of providing permanent security would be to pursue the opposite of ("security ahead of bread") so that people will get bread along with security. This would mean following a sound economic and political policy in this region in the framework of firmer cooperation. It would be based on social justice at home, and neutrality and cooperation with international interests, on a basis of equality, abroad. It seems that the issue of security, which has been emphasized so much, has already become part of the game played by the bigger nations in the area. Here we have Sadat declaring that Egypt will protect the Hormuz Straits. Everybody knows what significance this has for the whole Gulf area. This is a real possibility, since Qabus of Oman has not been hiding his inclinations since he sought aid from the shah. The fall of the last shah makes it necessary to search for a new policeman for the area. And this is what is happening right now, as far as Sadat is concerned.

Change Before Revolution

The analysts of the world unanimously agree that factors of change will reach the area, and that either there will be changes which will grant the natives of this region ample opportunity to find for themselves a free and progressive place under the sun and among the nations of the world, or the will of the people will be victorious over all plans made by the imperialists and those who cooperate with them.

The sluggish concept of "do what you can" persists. Many of the regimes in the Gulf area hesitate to take sound decisions to improve domestic conditions, increase people's participation in national affairs, and intensify economic and social coordination. This hesitation reflects the nature of these regimes and their traditional way of thinking. It is based on

soliciting aid from foreign experts, saying that it is not possible [to do things] better than they have been done, and taking arbitrary and repressive measures at the same time. In the meantime, the people of the Gulf area see the other peoples of the world taking big rapid steps toward progress and freedom. This incompatibility will be resolved in the 80's, and, because of this, the eyes of the world will be focused on this area during the next 10 years.

9468

CSO: 4802

BRIEFS

KUWAITI AID TO LEBANON--Abdullah Ghaloum, Kuwaiti representative of the: Ministry of Social Affairs and Labour said yesterday that the Arab Ministers of Labour and Social Affairs will meet in Beirut again in May. Ghaloum had met earlier with Lebanese delegates of the Ministry of Labour and Social Affairs, Mr. Ma'rouf Al Suwaid and Mahdi Sadeq at the Kuwaiti Ministry of Labour. The representative said Kuwait will grant Lebanon's southern regions \$50 million in aid. [Text] [Beirut THE ARAB WORLD WEEKLY in English 1 Mar 80 p 14]

CSO: 4820

AFGHANISTAN

SOVIETS NOW HAVE THEIR 'MY LAI'; 1,170 MASSACRED IN KERALA

Oslo MORGENBLADET in Norwegian 2 Feb 80 pp 1, 6

[Article by Kare Verpe]

[Text] For 5 minutes the rifles crackled in the small Afghan town of Kerala. It was the Soviet commanding officer who shouted "Fire!" Eye-witnesses told MORGENBLADET's correspondent Kare Verpe in Pakistan [that] 1,170 men were brutally killed on 20 April 1979.

The massacre was a Soviet act of vengeance against the small town where many felt that to be a guerrilla was a better alternative than to be under the yoke of a foreign power.

After the 1,170 had been brutally mowed down, a bulldozer on the spot pushed the corpses into a mass grave.

The Kerala massacre claimed seven times as many lives as the tragedy at My Lai and three times as many as the Nazis murdered at Lidice.

A total of 1,170 men were forced to sit in a row. Behind them stood Soviet officers and Afghan government troops. "Fire," bellowed the Soviet commanding officer. The Kalashnikov rifles crackled for 5 minutes.

The men from the village of Kerala were dead. Then came the bulldozers. The corpses of the 1,170 were pushed together into a mass grave. Everything happened in a coldblooded fashion. Such was the Kerala massacre.

The 1,170 were killed on the morning of 20 April 1979--an Islamic holy day. The men were defenseless. They had no weapons. Kerala is an Afghan country village in the province of Kunar, 190 kilometers north-east of Kabul and 20 kilometers from Raghaispasse on the Pakistani border. The 19th of April had seen fierce battles between the guerrillas and government troops near the village, which was under the quasi-control of the Moscow-dominated communist regime of Taraki and Amin.

The inhabitants of the village of about 5,000 were killed for having supported the guerrillas--something they had, in fact, done. For this reason the Kerala massacre was carried out with seven times as many victims as at My Lai and three times as many as the Nazis killed at Lidice.

For 2 days we interviewed and cross-examined the survivors from Kerala who had fled to Pakistan. And today is the first time that the world will hear of this massacre. The refugees from Kerala are now living in the Bajaur region of northwest Pakistan--an area closed to tourists because of tribal conflicts. It is a so-called "Tribal Area."

Eyewitness Accounts

There were four of us journalists who interviewed the survivors from Kerala, and we are for the first time providing eyewitness accounts. Together with Edward Girardet of the CHRISTIAN SCIENCE MONITOR, Nicholas Profitt of NEWSWEEK, and Rauli Virtanen of the HELSINGIN SANOMAT, [1] questioned the refugees.

It was essential to bring out what happened when a Soviet officer ordered the massacre of all of the adult males in Kerala.

"My father and I were dragged out of our house at 9 o'clock in the morning of the holy day of Friday, 20 April. It was Afghan government soldiers who took us with them. They said that they wanted to talk with the inhabitants of the village about what had happened the day before. We were brought to a clearing in the village. Hundreds of other men came there too.

"The women and children were locked in the mosque which is next to the clearing," says Nabib Mod z Khra, an 18-year-old student from Kerala.

"When we arrived at the clearing a helicopter was circling over us the whole time. More than 200 soldiers were there, and I, personally, saw three Russian advisers. The clearing was surrounded by tanks and armored personnel carriers," continued Nabib, who became frightened and tried to ask the Afghan commanding officer, who was standing next to him, for permission to leave the place.

"He didn't answer. He was busy talking with other people. I took advantage of the opportunity to slip away from the clearing," he said. His father, Golman Khra, a 50-year-old government employee, stayed behind at the clearing.

The men at the clearing were forced to squat down. They were photographed and the troops standing in front of them moved away. Suddenly the Soviet officer standing behind them together with about 100 other soldiers gave the order to fire.

"I couldn't bear watching. I turned away, and they fired for about 5 minutes," says Nabib, who did not see his father when he turned toward the clearing again. More than a thousand corpses were lying there.

Men Got Women's Clothing

"In the chaos which followed," says Nabib, "I made use of the chance to get away. I went into the mosque, and got clothing from the women so that I looked like one of them."

Nabib tells us that there were other men who did the same thing. But the government troops conducted a search. They found some, who were then taken out of the mosque.

"They were probably killed," says Nabib who, however, did not see what happened to them. "Most of the troops left soon after this."

"Many of the survivors fled in terror over the mountains to Bajaur in Pakistan," explains Nabib, who left right away himself.

But Nabib was far from the only eyewitness. Traffic policeman Abdul Lafit kept on doing his job when 30 armored vehicles drove into Kerala. He confirmed Nabib's story. We interviewed Lafit in a totally different place than Nabib. The refugees from Kerala are scattered over a wide area.

"The men weren't prepared to be shot. They were all killed after a [few minutes of] shooting and the bulldozers finished the job." In its description of the course of events, Lafit's story is identical to Nabib's. But he tells us that after the shooting the women came out of the mosque to search for the dead bodies of their husbands, but the soldiers shot into the air to force them back. The women were carrying the sacred Islamic Koran when they went to the clearing.

We ask Abdul Lafit why he wasn't shot. He answers by saying that he was regarded as a loyal policeman and that he was not involved in guerrilla activity.

Russians Without Insignia

"What was the rank of the Soviet commanding officer?"

"I don't know," he replies, and emphasizes the fact that the Soviet officers or advisers never wear insignia of rank.

He had personally seen the Soviet commander at close range more than six times during the half year preceding the massacre. He often visited Kerala.

Lafit was also among those who fled as quickly as possible to Pakistan. He gives us the names of the Afghan commanding officers who shared the responsibility for the massacre: Nismodin, the leader of the police forces, and Muhammed Sadek, the leader of the troops.

It is especially hard to get Islamic women to talk. But all the same we got an interview from Bibi Rakhana, a 45 year old who lost her husband and four brothers in the Kerala massacre. Now she must care for her children, five boys and four girls, all by herself.

She tells us that the women were forced into the mosque and that their men were taken away from them. "We heard the shooting and thought that we would ourselves be shot. In our desperation we took the holy Koran with us and went out to get the dead bodies of our men. We were chased away. But they didn't do anything to us. I went with my children to my uncle, Muhammed Sahib, who lives a short distance outside of Kerala, and he brought us here."

Bibi Rakhana tells us this. We also meet with her uncle, Muhammed Sahib, who confirms the fact that he was taking care of his niece and took her across the frontier.

Rolhamman is 26 years old and was a teacher at high school in Kerala. We ask him why he is in Pakistan, and he tells us that he heard shooting from the town on 20 April. He personally lived 2 kilometers outside of town; no soldiers came to his village. "I was afraid and I decided to flee."

We meet many others who heard the shooting, [among them] Jan Madjero, the head of Kerala's largest factory. He speaks both French and English. He saw nothing. He lived on the other side of the river which runs through the town. But he heard the shooting, and he guessed what had happened.

People in the town had for a long time been afraid of reprisals because people in Kerala had aided the guerrillas in every possible way. In this region it is especially the Jamait-i-Islami group which is active.

Forthright Answers

We found it extremely hard to have to question these people, but we could not rely on rumors. At the same time, they answered very concisely and well. None of them hesitated in answering, and even the most difficult questions got a direct, forthright response.

We met orphaned small children who are totally dependent on the world around them. They are largely poor people--for example, Habibrahim, who lost his father, two brothers, and three uncles. He is deeply affected by what happened to him and he expresses his feeling of desperation.

"What has happened is a gross injustice. The only thing I want is that my country be freed from the chains of communism." There is an enormous hatred of the communist regime in Kabul and the Soviets. And more of the young men who survived the Kerala massacre are waging a desperate and hopeless struggle against the communists.

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AFGHANISTAN

PROSPECTS OF A NEUTRAL AFGHANISTAN DISCUSSED

Paris LE MONDE in French 21 Feb 80 p 1

[Editorial: "The Nine, the USSR, and Afghanistan"]

[Text] President Carter's "ultimatum" to the Soviets, in an attempt to convince them to withdraw from Afghanistan, expired yesterday, Wednesday 20 February. As was readily foreseeable, the Soviets paid absolutely no attention to the American threats. Far from reducing the number of Soviet troops stationed in Afghanistan, the Kremlin has instead reportedly increased that number in an effort to quell a spreading revolt. Thus the Olympic Games weapon, brandished immediately after the food weapon, has not been enough to make the USSR retreat. This reaction too was foreseeable, because Soviet leaders--who some observers incorrectly depict as being divided between "hawks" and "doves"--are convinced they intervened in Afghanistan to protect their interests.

Under these conditions, the initiative taken by the foreign ministers of the Nine [European Common Market] in Rome last Tuesday may offer Moscow an honorable way out of its predicament. The ministers took a position in favor of a "neutral Afghanistan...aloof from superpower rivalry." They did, however, appear to be conspicuously acting without much conviction. Consequently their initiative, which they did not even venture to call a proposal or recommendation, is likely to be interpreted by the Kremlin as a purely symbolic gesture.

It is certain that Soviet armed forces will not leave Afghanistan simply because the West or the Islamic community will have repeatedly told them their entry into that country is inadmissible, indeed even unacceptable. Pious wishes cannot be more effective than the threat of boycotting the Moscow Olympic Games or the embargo on the sale of grain. Ill-suited actions may even trigger reactions in the USSR that are the exact opposite of those sought, such as, for example, a nationalist and patriotic revival that it would be a mistake to underestimate and which could turn into xenophobia.

If, on the other hand, the Soviets should prove incapable of breaking Afghan resistance--and this will obviously be the decisive factor in the whole development of this situation--the initiative of the Nine would then be worth repeating more forcibly and might contribute to a peaceful solution of the crisis.

Who, in fact, could possibly not wish to see a neutral Afghanistan? Such was that country's status before the April 1978 "revolution" in Kabul. Can it be said that the USSR's national interests had been hurt by such neutrality up to that time? This is clearly wherein Moscow's blame for the crisis lies and it is also the source of the legitimate misgivings which have emerged in the West: will it be said that the USSR will henceforth always consider its relations of good-neighborliness and cooperation with a bordering country solely as a stage toward ultimate domination, and even annexation?

Two recent signs warrant a very slight degree of optimism. Kremlin leaders appear to fear that tension will become widespread, as if they had incorrectly assessed reactions to the invasion of Afghanistan. They also are apparently worried about the military difficulties Soviet forces are encountering in the field. Early this week, Mr Zamberletti, under secretary of state of the Italian Government, went to Bucharest at Ceausescu's request. The Romanian president, who had very recently met with Gromyko, is said to have asked his Italian guest what guarantees of noninterference could be given the Soviets if they were to evacuate Afghanistan.

The Nine's statement provides the rough framework of a possible answer. It remains to be seen if this means Moscow is beginning to fully realize its predicament, or whether it is a trial balloon launched solely by Ceausescu personally.

8041

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ALGERIA

MULTINATIONAL COMPANIES CALLED PRIME WEAPON OF IMPERIALISM

Algiers REVOLUTION AFRICAINE in French 14-20 Dec. 79 pp 19-50

[Article by Halim Seradj: "The Spider's Web"]

[Text] At a time when international imperialism is launching a vast, multi-faceted offensive against the countries of the Third World, particularly those that have embarked upon a revolutionary path aimed at political and economic consolidation, the building of a just and harmonious socialist system and the questioning of the entire system of domination and exploitation on which colonialism once built its power and prosperity and by means of which neocolonialism and imperialism are now trying to maintain their control over two-thirds of mankind, increasing awareness is leading to the denouncement of this outdated system and its eventual collapse.

Algeria, which has chosen the most difficult path of development and which is directing all its resources and potential toward the achievement of objectives set by the socialist revolution, is setting the pace in its fight to consolidate its independence and ensure its true economic and socio-cultural takeoff. Enormous efforts have been made in this direction.

Even greater efforts will be made in the months and years to come within the framework of the orientations which the party's Central Committee and the next special congress will outline when it comes time to examine the 5-year plan and the 10-year outlook for national development.

This bitter battle, which Algeria has waged since its independence on all fronts of the domestic and international struggle, is and will continue to be on a level with our ambitions and our determination to eliminate underdevelopment in all its forms, aware as we are, now more than ever, that imperialism does not hesitate to resort to any Machiavellian scheme or maneuver to continue to weaken developing countries and undermine their development strategy and the revolutionary process.

One of the most pernicious weapons it uses is called the multinationals.

REVOLUTION AFRICAINE publishes this dossier in this week's edition in the hope that it will contribute to greater awareness of the dangers that lie in wait for our booming economy and that of other developing nations.

Since the Fourth Congress of the FLN, the need has been felt to take social and anti-imperialist dimensions into consideration in the definition of a proper development strategy. At the same time, the rejection of willful methods and capriciousness seems to be expressed in the constant requirement to supply balance sheets of all past achievements, the indispensable basis for all progress and the establishment of plans for consolidation and recovery.

A concept of broad mobilization, which has begun to be applied in connection with the FLN's efforts toward renewal, seems to prevail with the summons for greater participation of workers in the democratic drafting of the next plan.

In the course of the Second Four-Year Plan for 1974 to 1977, the amount of contracts relating to investments in the light industry sector amounts to some 22.9 million DA [Algerian dinars], including 15,547,000 dinars in foreign exchange, or 68 percent. The capitalist firms' share of all commitments makes up 81.5 percent. Out of the 432 firms involved (representing 21 countries), 229 are capitalist firms.

The socialist countries (Hungary, Romania, Bulgaria, China, Poland, the German Democratic Republic and the USSR) contributed 362.6 million DA, including 272 million in foreign exchange (9.74 percent) through 11 enterprises, while the capitalist firms occupy a dominant and decisive place with 15,275,000 DA, including 15,003,000 DA in foreign currency. In the heavy industry sector, a sample national enterprise can be considered (SONELEC [Algerian National Company for the Manufacture and Installation of Electrical and Electronic Equipment]) over a more interesting period (1969-1978): It invested 4,342,000 DA, including 1.59 million from foreign credits from capitalist countries. Its partners are exclusively capitalist firms. Financing is exclusively capitalist in origin for all projects being carried out, amounting to 2,861,700 DA for the foreign currency portion.

In the first case, the foreign firms control 81.5 percent (compared with 1.74 percent for the socialist countries); in the second, 100 percent.

In addition to the marked tendency toward dependency on the capitalist market, with its potential political dangers, is the industrialization of our country national and authentic or is it moving toward "a mere juxtaposition of industrial units enjoying a certain economic insularity and oriented abroad"?⁴[sic] Is it bringing national integration about or is it tending to fit into the strategy of the multinational firms?

In short, is it fair to demand that the capitalist firms hand over the material bases of socialism "key-in-hand"? While it may seem excessive, this affirmation is nevertheless deserving of attention.

The following remarks are modest. They are situated outside the closed realm of initiates and are addressed to the mass of both white- and blue-dollar workers.

Their purpose is to make a modest contribution to the democratic debate that is beginning within the framework of preparations for the next 5-year plan. Moreover, they are limited and "tributary": limited, because they are not advanced by a specialist experienced in development strategies; and tributary, because they are based on a very small volume of sparse, heterogeneous information. They are therefore open to criticism.

Diversification of (Amid) Dependency?

At a time when the progressive forces in our country are waging the production battle, the central task, an important aspect of this task remains underestimated and undoubtedly poorly evaluated: the danger which intensified and diversified economic relations with the firms and multinational companies of capitalist countries constitute for the country's economic liberation.

The recent history of attempted economic takeoffs in developing countries and our own national experience cause us to reflect and draw up balance sheets.

In the course of recent months, the national daily EL MOUDJAHID has been the vigilant observer of the achievements and difficulties of the state industrial sector.

Known bankruptcies and the less well-known difficulties of capitalist firms in Algeria⁴ are the apparent tip of the iceberg. The misdeeds of the capitalist firms, combined with our own inexperience, are many, progressive and of a complexity that often escapes us.

"After BUM [expansion unknown], a West German enterprise that was in charge of civil engineering for the SONACOME [National Mechanical Engineering Company] project in Tiaret, it is the Leuchener firm in Paris that is about to file its balance sheet." Since 1975, it was to build 970 housing units using a "miracle" procedure.

"But the miracle has remained nothing but a mirage (...). The amount of the contract was for 6.8 billion and the period of time stipulated was 24 months. But the firm demanded a second reappraisal, which went from 68 to 97 million DA, including 49 percent in transferable foreign exchange. The time required went from 24 to 40 months by virtue of a rider."⁵

The West German firms are also the center of concern.

"After Brehmer, BUM is abandoning its project sites. In 1976, BUM concluded 18 contracts for the amount of 250 billion old DA, involving the construction of 4,000 housing units, 10 CEM [College of Intermediate Studies] and civil engineering (Ain Smara, Mohammadia, Tiaret, Miliana, Annaba, Constantine, El Kalla), as a subcontractor."⁶

In the Federal Republic of Germany, it was nevertheless a matter of common knowledge that BUM did not enjoy credibility.

It would appear that international financial capital has liquidated an enterprise that was no longer profitable. Our industry paid the price because of its links with the firm. The English and American companies also use the same techniques. Under the Second Four-year Plan, the governorate of Mascara benefited from a program of 1,050 housing units. Studies and completion of the project were entrusted to an English firm which, curiously enough, went bankrupt a few weeks later.⁷ There have also been reported "several cases of action on the part of certain foreign monopolies. The U.S. Chemico Company halted work on LNG [liquefied natural gas] plant 1 when it had completed only 20 percent of the work at the site. The Technip Company has also been brought into question, particularly because of its delay in making the three Skikda liquefaction lines operational."⁸ One could cite examples ad infinitum: SODETEG [Technical Studies and General Enterprises Company] (French), which is causing serious difficulties at Ain M'lila, and so on.

Paradoxically enough, there is an unprecedented shift of trust with regard to financial capital. Our loans from capitalist financial institutions are increasing in number. The national press has mentioned several:

The conclusion of procedural and financing contracts for \$1 billion for a new liquefaction plant with a capacity of 15.75 billion cubic meters per year at Arzew, on 19 January 1979, with the sum being broken down into 2.5 billion French francs in the form of buyer's credits and \$400 million in the form of free credits. The GL [liquefied gas] 32 plant will once again be built by an American company: the Foster Wheeler Corporation. Financing will be provided by two bank consortiums: the first headed by the Bank of Paris and the Netherlands (buyer's credit) and the second by the BNP [National Bank of Paris] (free credit).

On 21 February 1979, the Algerian People's Credit Bank took out a new financial credit on the Eurodollar market. The multinational credit is headed by Interunion Bank, Standart Chartered Bank, Tokai Bank, Marine Midland Bank, Bayerische Verinsbank, along with Spanish, Australian and Arab banks.

The \$45-million credit will be used to finance the equipping of the hydraulic sector and the development of land.

Construction of the Hassi R'Mel gas pipeline, to be done by Bechtel (American), has financing amounting to \$118 million.

On 8 March 1979, a \$150-million credit was granted to the BEA [Algerian Foreign Bank] to finance projects of the SNS [National Steel Company], SONATRACH and SNIC [expansion unknown].

The multinational consortium includes the Chase Manhattan Bank, the SGB [General Banking Company], the Ubaí Bank Group, the Canadian Imperial Bank of Credit, the Midland Bank, the Arab Investment Company, the Belgian Bank, the Arab Intercontinental Bank, Barclay's Bank, the Bayerische Landesbank and the Dai Ichi Kangyō Bank.⁹

A \$250-million financial credit was awarded to SONATRACH to finance the GL 3Z plant in Arzew by a multinational consortium made up of the Algebank, the Amrobank, the Deutsche Bank and the Dresdner Bank.

Financing conditions have not been made public. They are summarized in the customary laconic formula: "The loan was granted at satisfactory rates of interest. This policy of diversifying and broadening relations has encountered the best possible support of the international financial market."

One can observe, however, that for all the industrial complexes set up in our country by the capitalist firms and multinationals and even when it is a question of complexes that will supply the imperialist market (petrochemistry), the imperialist system never agrees to remain neutral, much less aid or help a socialist path of development. There is no historical experience to prove the contrary. At the present time, financial capitalism and the multinational firms cover, through their loans, the studies, completion, equipment supplying, technical assistance, export market and strategic sectors of our national economy. We know that monopolistic capitalism reduces competition and helps monopolistic agreements. It is not impossible or nonsensical that the Algerian "market" may have been the subject of understandings within the imperialist system.

The coincidence is so striking that the petrochemical sector is the private domain of the American multinational firms, along with the data processing sector. The machine industry sector is the reserve of the West German firms, the light industry sector that of the French, Italian, West German and Belgian firms, and so on.

In our country, this sectorial penetration reproduces the conditions of competition and concentration within the internationalist division of labor.

Consequently, only a few American multinational firms dominate the national petrochemical sector (see below), while in the light industry sector, 5 Italian firms out of 30 present in our country control 71 percent of all contracts made with the Italian firms (CTIP [Technical Petroleum Industries Company], ITECO [expansion unknown], Ital-Consult, General Impianti, and the CMC [expansion unknown]), while all the Italian firms hold 20 percent of all markets in the sector. Eight French firms (Creusot-Loire Enterprise, Agache-Willot, Krebs, the SACM [expansion unknown], Spichimi, SOTEG [presumably SODETEG], the OCCR [expansion unknown], Inter G and EFF [expansion unknown]) out of 83 control 91 percent of all contracts made with French firms. On the whole, the latter control 19 percent of all transactions in the sector.

The major results obtained have in fact led to a diversification of dependency on our capitalist partners. Today, our country is actually integrated into the international capitalist division of labor.

The risk of losing control of the independent development of productive forces is increasing and strengthening possibilities for capitalist production relations. Their control over political and economic choices is developing and growing more marked.

How can we determine our choices with respect to machine industries when it is established that in the German banking sector, the private banks control and administer 70 percent of the shares of German industry, or when in Italy, there is such overlapping of the participation of multinational firms such as Fiat (92nd GNP in the world in 1969), Montedison, SNIA [expansion unknown] and ENI [National Hydrocarbons Agency] and that of the banks is such that it is practically impossible to tell them apart?

In 1967, the French journal FORTUNE wrote that the hard core of the capitalist world was made up at most of 60 companies, associations and groups that belong or are controlled by some 1,000 persons. These men are at the head of commercial banks in Paris, investment banks in New York, merchant banking ventures in London, financial institutions in Belgium, the Netherlands, Italy, Sweden and Australia. Together, they directly or indirectly skim off 75 percent of the new liquid assets which nourish the growth of the capitalist countries every year. Among the most important French merchant banks are the Bank of Paris and the Netherlands and the Credit Lyonnais.... All the banks in Paris, New York and London buy up shares and thus form a single bloc of closely interwoven forces.

European Banks With Which Our Country Is Directly or Indirectly Linked (rank in 1969)

1. Barclays Bank	Great Britain
National Westminster Bank	Great Britain
Banca Nazionale del Lavoro	Italy
National Bank of Paris	France
Credit Lyonnais	France
Westdeutsche Landesbank	FRG
Deutsche Bank	FRG
Midland Bank	Great Britain
General Banking Company	France
Lloyds Bank	FRG
Bank of Rome	Italy
Italian Credit Bank	Italy
Standard H. Chartered Banking Group	Great Britain
Union of Swiss Banks	Switzerland
Commerzbank	FRG
Swiss Banking Company	Switzerland
Swiss Credit Bank	Switzerland
20. [sic] Algemene Bank Nederland	Netherlands

It is illusory and useless to try to bring the multinational firms to accept our views and respond to our national requirements, which are basically opposed to their world strategy.

A multinational can transfer its personnel, plants and services anywhere and adapt its distribution and financial structure to world criteria. Its options will always be superior to the pressures and restrictions that our institutions will manage to exercise or impose. "It can take bag and baggage elsewhere if the government wants to penalize it or subject it to high taxes."

That is why it is important to make people realize their perceptions of the imperialist danger, which cannot be reduced to its most obvious and spectacular manifestations.

It would be dangerous to underestimate the degree of dependence which the extensive, restrictive relations with imperialist countries represent for our economy, particularly in the strategic sectors of our development. It would be to ignore the dominant position of imperialist monopolies within the world capitalist market and the many ways of realizing the law of profit.

The increasingly radical questioning of the direct forms of domination forces imperialism to seek out and use new types of relations of exploitation. The "deployment" of multinationals as the result of the overaccumulation of capital and the small size of the capitalist market tend to guarantee the profit of the monopolies by excessive exploitation of countries subordinated to the control of capital.

The vulnerability of our country during this transitional period now remains one of the main characteristics of progress achieved since independence. This intermediate state, in the course of which tasks of socialist construction can and must be completed, can still lead to a recovery of our industrialization by the multinational firms. History is rich in examples.

At LNG plant 1 in Arzew, the multinational firm Bechtel had large shipments of products and raw materials for which our country had paid high prices destroyed. For reporting this act of sabotage, the union council was suspended.

In the following preliminary portion, recent history will be used to support this assertion. The misdeeds of the multinational firms in some developing countries demonstrate this form of recovery and integrating development.

The appearance and proliferation of the multinationals are dominant traits of monopolistic capitalism. There are now some 800 of them. They are multinational by virtue of their manufacturing centers, their outlets and the origins of their officials and capital at a time of the internationalization and centralization of capital. One thinks one is negotiating with the Bank of Paris, but the Chase Manhattan is also in on it.

"By virtue of the size of their turnover and investments, the most powerful multinational companies go far beyond the means of action of most nations.... Examples abound demonstrating that the countries of the so-called Third World cannot stand up against them. That they can assume for themselves actual rights of ex-territoriality: This is what remains true during the neocolonialist period."¹¹

In Guinea, the government had to yield to enterprises controlled by the multinational trusts Pechiney, Alcoa, Alcan and Ohlin-Matiesen.

In the Netherlands, Royal Dutch Shell imposes its conditions regarding the flag of its fleet of giant oil tankers. Even in the United States, the tax aimed at discouraging the exportation of capital has by and large been manipulated by them.

A few concrete examples:

Conditioning of Underdevelopment

It is a widely known fact that the pharmaceutical industry is the reign of the multinationals. A few developing countries such as Mexico, India and Venezuela, have tried to start a local industry, but the production is mainly controlled by the multinationals through their subsidiaries. The case of Sri-Lanka is particularly significant.¹⁰

In 1962, the Singhalese decided to reduce the number of medicines placed on the local market from 4,000 to 630 in 1970. In 1972, they set up a national agency (SPC [expansion unknown]), which had a monopoly over imports. The agency bought 52 medicines at one-third the previous price. In 1973, it bought the raw materials needed to set up 14 processing plants on the island. Certain prices dropped by two-thirds. The same year, it bought from an Indian firm the raw material for a major tranquillizer at 1/17 the price charged by a Swiss multinational firm.

It is possible that the (calculated?) bankruptcies of BUM, Brehmer and Leuchteuer...resulted from internal strategies of the multinational firms. How can one then plan?

"In 1974, a cholera epidemic broke out in Ceylan. The SPC had stocks of raw tetracycline from a major German multinational. It asked the local subsidiary of an American firm to transform this raw tetracycline into capsule form. Instead of doing what was asked, the American firm asked for explanations. The Sri Lanka Government had to hastily import capsules of tetracycline by plane at sky-high prices. The SPC officials then asked the Singhalese Government to nationalize the local subsidiary of the American firm. But the personal intervention of the American ambassador with the prime minister prevented the nationalization. Starting in 1978, private enterprises were reauthorized to import directly for themselves, in competition with the SPC, which amounted to destroying the company."

Consequently, after patient, in-depth work, the multinational firms managed to ruin a progressive experiment by means of an exceptionally favorable situation. The factor of time (1962-1978) worked in their favor.

Mexico, the country of the "green revolution," offers an example of the recovery of certain sectors of agriculture by the multinationals. The World Bank prepared the way for them. Up until 1974, it had granted loans amounting to \$195.5 million to restore land that would immediately be turned over to the multinationals. The penetration of the multinationals developed the production of agroindustrial raw materials, "the main objective of the multinationalization of agriculture in Mexico." The best irrigated land was henceforth to be reserved for newly introduced "pilot" crops (sorghum, soybeans, saffron), helping to integrate agriculture into industry. Market garden crops were abandoned, bringing about a drop in basic foodstuffs available. This cradle of the green revolution which Mexico is has now become an importer of grain and agricultural raw materials.¹² This "strategy of multinationalization" was developed by the Ford Motor Company, International Harvester, Massey Ferguson, John Deere, Norkrup Ring [sic], Dekalb, Anderson Clayton and Mitsubishi Int. Corporation.

The southern region of Peru also offers an example with similar effects. The penetration of Gloria Milk, Inc., a Peruvian subsidiary of Carnation (which has existed in Peru since 1942, along with a subsidiary of Nestle) was to "condition" the agricultural environment in terms of its own needs.¹³

"It is in the reorientation of rural activities as a whole that the subordination of the agricultural economy of an entire region to the needs of agroalimentary capital has been manifested the most clearly. Since society was first set up, crops have become more and more specialized," bringing about a reduction in the area devoted to food crops, to the detriment of dairy cattle grazing. Such land was turned over to industrial purposes. Even the irrigated perimeters that were taken away from the desert and whose development was financed by foreign loans are already turning into alfalfa fields." The effects are immediate: "Peru has a considerable food deficit: Some 86 percent of its wheat, 47 percent of its corn and sorghum and 40 percent of the edible oils consumed are imported. Who else but Gloria Milk had any interest in thus modifying the course of agriculture in southern Peru?"

In the field of marketing on a world scale, the concerted action of the multinationals are destroying the myth of the "market forces" and the free play of supply and demand. Speculative practices are the rule. On the world cotton market, a special mechanism, the "strangling" of the short sellers (squeezes) and the buying up of stocks (corners) have turned the term market into a mechanism by means of which the big commercial companies, whether individually or in a concerted manner, obtain substantial gains and destabilize prices.¹⁴

Our still recent national experience with the oil cartel is edifying. The conditions of the fall of the Allende regime in Chile are even moreso.

One can therefore see the danger which the penetration of multinationals in strategic sectors can be. It is of prime importance to remember the lessons of history and point out the extremely subtle mechanisms of penetration. The conditioning of underdevelopment is therefore a lived reality that does not happen only to "others." It would be interesting for studies to be made of the degree of integration of the national petrochemical sector into the strategy of the multinationals. It is a fact that its development has not been coordinated with that of other sectors and contributes only poorly to the desired national integration. The financing facilities obtained from big capital pose the question of whether they do not tend to accelerate its integration into the international capitalist division of labor, because its financing, construction, equipment, studies and finally, the markets, are all capitalist in origin.

According to estimates from the departments of the Ministry of Labor and Professional Training, the capitalist firms "export" to their Algerian work sites a labor force of different origins (Asian, European, American), estimated to total over 25,000 workers.

A. "Industrial Ready-to-Wear"?

The building of the material bases of socialism requires the establishment of a developed and diversified industry. The productive potential, which is already considerable but not yet mastered, is suffering from real difficulties. Some of these are linked to an environment which is completing its industrial apprenticeship and which in addition is ill prepared. Others are due to the nature of our economic and financial relations with the capitalist system and its multinationals, which are involved in nearly all of our industrial projects. Only this second aspect is the subject of our concern. It must itself be compared with the mechanisms and formulas of completing industrial projects, in a legal framework of unequal relations with the capitalist system. Their overlapping has engendered a spiral of added costs and a diversification of dependency vis-a-vis imperialism. These elements form the outline of the developments that follow.

If, for a single factory, one calls on large numbers of American technicians to put it into operation, then under what conditions and with what consequences will one put four similar units into operation in only 5 years?

Renewal of Forms of Dependency

The effort made in some national industrial sectors to achieve economic independence is based on a vision of diversified economic relations with all the dominant capitalist countries and their multinationals. It tends to arrange unequal relations within the extended framework of the international capitalist division of labor.

Consequently, within the legal framework of contractual relations, there is growing awareness that approval of a contract with a capitalist firm does not fulfill the conditions of an equal trade. It is considered that while waiting to acquire a certain competence and level of development, it is important to negotiate contracts better, without modifying the current legal system. For example, we have learned that the system of penalties does not provide any real protection, that it is not in the interest of a national company to break a contract being carried out and to go into arbitration because the losses suffered would be greater than the amount of the partner's demands. The fear of having to suffer such losses generally leads our companies to give in to demands, even the most unreasonable ones.

The capitalist firm foresees at precisely what moment in time it is most favorable to formulate demands for reevaluations.

The danger of having our production apparatus taken over by the multinational firms is no longer a fiction.

The demands are presented at a time when work on the project is very advanced, so that any halt will penalize the project foreman and indemnify the supplier.

Because it has proclaimed its determination to carry out the industrial projects included in the 4-year plan and declared that it is ready to pay the price, the national company becomes a target and a prey for the capitalist firms, which can easily speculate on its incompetency. It is in fact symptomatic that at the time of negotiations, the capitalist firms accept the restrictive clauses of the contract. They know that when the time comes, they will be able to turn them to their own advantage.

The national companies try to act on the combination of "lots" needed for completion of a project. They use techniques consisting of completing the equipment contracts by service contracts (engineering, industrial architecture, expertise, training, startup, organization, and so on).

In themselves, they constitute a wager for the national companies, which give a final discharge to the capitalist firm without any real guarantee other than its real or supposed reputation. The bankruptcies of capitalist firms registered in recent months has largely divested these wagers of their mythical quality.

It has also been proposed that contracts of the "product-in-hand" type include clauses indexing the remuneration of the supplier on proper respect for construction planning and production startup, the quality of production year by year, the quantity produced year by year and the real price of production. It is said that this should incite the supplier to fulfill his commitments scrupulously because he would himself be automatically and directly penalized for defects.

Emphasis has been placed on formulas that would no longer consist of contracting for isolated equipment and services, but rather, be made on the basis of key-in-hand, product-in-hand, costfree. For a long time, they have been presented as privileged instruments in the hands of the national companies and the capitalist firms have been hesitant to bind themselves by contracts of this nature.

Actually, this reticence is apparent. The fact that it is suggested to us by the prevailing literature on the matter from capitalist countries is in itself significant. The fact that the multinational firms have accepted it, adapted to it, and that it has not resulted in the substantial gains for us that had been anticipated is also significant. Indeed, this stems from a vision that underestimates the ability of the multinationals to take over our enterprises' demands and integrate them into their own strategy. The extent to which these formulas have been developed requires an important development at three levels: 1) at the level of certain mechanisms linking national companies to the capitalist firms; 2) at the level of certain formulas for the completion of industrial projects; and 3) at the level of their effects with regard to financial costs.

At the outset, certain concepts that underlie these formulas require a classification that is not without interest.

Stationary History

At the Skikda plastic materials complex, 350 national workers, including foremen, were dismissed for "inadequate training." The magic solution: an appeal for Japanese assistance.

These concepts are based on the following assumption for the purpose of justifying massive appeals to capitalist firms: Considering that the West brought about a veritable "scientific and technical revolution," they (the socialist countries) appealed to the savoir-faire of the capitalist countries with developed economies in order to ensure the transfer of these techniques for the benefit of their system.¹⁵ But even though the socialist countries with developed economies had no scruples about going abroad to acquire the modern management techniques and applying them at home, in our country, there still exist certain exegetes who perceive of these management techniques not as tools, but as an element with an ideological aftertaste. And, who quote Lenin: "Undoubtedly, it is suitable to ask them to reread Lenin, who, in an article drafted on 28 March 1918 and entitled 'The Immediate Tasks of the Soviet Government,' wrote: 'In order to show how necessary it is for the Soviet Government to use the services of bourgeois intellectuals in order to move to socialism, we shall allow ourselves to quote an expression which at first sight may seem paradoxical: It is to a large extent from the trust officials that we must learn socialism and it is with the great organizers of capitalism that we must learn socialism.' Therefore, it is not surprising that in order to resolve the practical tasks of socialism, when organization moves to the front, it is absolutely necessary that the Soviet Government seek the cooperation of a

ANNEXE - 4. (1)

ENGAGEMENTS PAR SOCIÉTÉS NATIONALES ET PAR GROUPES DE PAYS (2)

1974 - 1977
(en millions de dollars)

SOCIÉTÉ NATIONALE (5)	PAYS CAPITALISTES (3)						PAYS SOCIALISTES (4)						TOTAL	U.S.A.	CANADA	AUTRICHE	SUEDE	ESPAGNE	SUISSE	BELGIQUE	JAPON	R.F.A.	FRANCE	ITALIE	(11)	(12)	BULGARIE	CHINE	ROUMANIE	U.R.S.S.	(14)	TOTAL
	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)																				
(15) SONITEX	282,58	1 561,96	1 782,87	2 158,81	550,20	1 134,54	483,21	-	-	-	-	-	0,78	-	-	-	-	-	-	-	550,20	1 134,54	1 782,87	2 158,81	7 671,77	-	-	-	-	-	-	1,38
(16) SNMC	765,84	224,55	1 541,45	243,77	1 261,01	378,96	34,40	5,52	81,77	-	-	-	3,32	-	-	-	-	-	-	-	1 261,01	378,96	1 541,45	243,77	3 768,08	72,41	2,82	-	-	-	-	3,10
(17) SN SEMPAC	2 038,59	734,64	12,80	-	-	-	373,95	607,80	-	-	-	-	70,87	-	-	-	-	-	-	-	-	-	-	-	1 806,08	108,23	4,00	-	-	-	-	2,38
(18) SNIC	271,01	1 658,14	404,44	889,06	404,58	-	0,12	-	-	-	-	-	-	-	-	-	-	-	-	-	404,58	-	-	-	3 671,60	-	-	-	-	-	-	-
(19) SNLB	32,32	-	487,75	185,29	-	343,48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	884,90	-	-	-	-	-	-	-	
(20) SONIC	63,33	300,82	62,37	38,81	-	0,54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	403,74	-	-	-	-	-	-	-	
(21) SOGEDIA	201,47	30,13	1,76	6,99	-	5,08	-	0,78	0,44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,63	-	-	-	-	-	-	-	
(22) SONIPEC	11,88	88,10	87,18	124,75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,84	-	-	-	-	-	-	-	
(23) SNTA	119,60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(24) SN EMA	50,66	-	12,13	82,08	-	1,01	-	-	0,14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,34	-	-	-	-	-	-	-	
(25) SNERI	24,76	1,86	6,37	2,88	2,00	0,23	-	1,88	0,12	-	-	-	-	-	-	-	-	-	-	-	2,00	-	-	16,14	-	-	-	-	-	-	-	
(26) SNAT	4,46	-	2,56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,56	-	-	-	-	-	-	-	
TOTAL GÉNÉRAL	3 868,2	4 498,19	4 381,27	3 772,32	2 218,19	2 039,50	881,88	814,88	92,47	80,78	33,06	16,16	10,71	18 650,26	226,89	106,82	7,85	2,40	2,39	1,10	352,27	-	-	-	-	-	-	-	-	-	-	-

Key:

1. Appendix 4
 2. Commitments by National Companies and Groups
 of Countries (light industries)
 3. Capitalist countries
 4. Socialist countries
 5. National company
 6. Federal Republic of Germany
 7. Switzerland
 8. Spain
 9. Sweden
 10. Austria
 11. Hungary
 12. Romania
 13. Poland
 14. Democratic Republic of Germany
 15. SONITEX [National Textile Industry Company]
 16. SNMC [National Building Materials Company]
 17. SN SEMPAC [expansion unknown]
 18. SNIC [expansion unknown]
 19. SNLB [National Cork and Wood Industries Company]
 20. SONIC [National Cellulose Industries Company]
 21. SOGEDIA [Food Industries Management and Development Company]
 22. SONIPEC [National Leather and Hides Industries Company]
 23. SNTA [presumably National Transportation Company of Algeria]
 24. SN - EMA [expansion unknown]
 25. SNERI [National Company for Industrial Studies, Management, Achievement and Exploitation]
 26. SNAT [expansion unknown]
 27. February 1979

large number of bourgeois intellectuals, particularly those who performed practical organizational work for capitalist production and therefore, mainly those who organized the trade unions, trusts and cartels. We have to accomplish a new and difficult but extraordinarily fruitful task: combining all the experience and knowledge that these representatives of the exploiting classes have accumulated with the initiative, energy and labor of broad masses of working people because only this combination can build the bridge leading from the old capitalist society to the new socialist society.¹⁶

"If we agree, for example, that Russia, in order to organize production on new foundations, raise productivity and teach our people the art of working under better conditions, has to hire, let us say, 2,000 great specialists in the various fields of knowledge, Russian specialists and even more foreign specialists -- albeit American -- and if we pay them 50 or 100 million rubles a year, from the standpoint of the interest of the national economy and generally speaking, from that of moving from outdated methods of production to the most modern and most highly developed methods, the expenditure would be completely justified."¹⁷

This being so, the purpose is to justify the "systematic program so that socialist enterprises under tutelage will acquire and master the most efficient management techniques before the end of the next plan."

The cost of the LNG plant 1 at Arzew more than quadrupled because of inflation in capitalist countries, the "optimistic" estimates at the outset and construction problems linked to the choice of a partner (Chemlco).

This program tends to bring the most specialized international consulting firms into the application of these techniques in order to diagnose current inadequacies, design the most efficient systems, train enterprise personnel in the use of the techniques chosen and help to set up and start systems, this in each enterprise." Lacking in such an apparatus, this means the management of our industrial apparatus by the consulting offices of the capitalist firms. "They will each work with a group of enterprises for each management function, with the coordination of action and overall orientation being ensured by the ministry."

In the case of ALCOTRA [expansion unknown], the Italian partner can easily accommodate the 1-year delay in completion of the Haoud-El Hamra-Skikda pipeline. At any rate, it will bill us for its services and delays.

This option effects at least a double repudiation:

A repudiation of the lessons of history and the scientific and technical potential of the socialist countries.

The quote from Lenin is used out of its historical context. The USSR in 1918 certainly did not have the same historical characteristics as those of the period of transition underway in our country.

It has a class content that is not characteristic of Algerian society. In the USSR, the proletariat was the class in power and recommended a policy of broad rallying toward the social classes of the overturned regime, in order to take advantage of their scientific potential and their knowhow.

The appeal is mainly addressed to the country's live forces, whatever their class origin, and secondarily to "foreign specialists," an appeal which, because of its class content, does not generate dependency vis-a-vis the capitalist system, as history has amply proven.

From this standpoint, history seems to have been stationary. This view hints that there has been no evolution and that the current scientific and technical level is that of 1918. It is explained that the "technologies proposed by the socialist countries generally remain below what we want and that this situation can be explained by the fact that in different branches of industry, the socialist countries themselves do as we do and import technology from the developed capitalist countries."

This leads one to believe that the scientific and technical contribution of the socialist countries is negligible. However, useful clarifications are omitted:

Exchanges between socialist and capitalist countries are truly exchanges (and not a continuous, growing current of imports by a single partner) between countries with developed economies, but of a different level (and not an unequal exchange between a capitalist country and a developing country).

The socialist countries have a technological capital which allows them to import and master the technology imported.

These imports do not generate dependency.

They are not circumscribed within the framework of the international capitalist division of labor.

They do not go to strategic sectors.

At the Guelma cycle and motorcycle complex, it was learned that despite the shrewdly maintained myth, DIAG [expansion unknown] was not sufficiently familiar with the product for whose manufacture it was being used. (EL MOUDJAHID, July, 1977)

ANNEXE - 5 (1)

(2)

ENGAGEMENTS PAR PAYS EN MATIERES D'INVESTISSEMENTS PLANIFIES
DURANT LE HUITIEME PLAN 1974-1977

(3)

PAYS (4)	1974			1975			1976			1977			TOTAL 1974-1977		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
(5)															
France	23.34	119.24	146.16	6	109.34	119.34	16	126.84	162.74	17	164.14	164.14	514.44	164.14	164.14
Allemagne	34.32	332.41	364.61	20	332.41	332.41	20	332.41	332.41	20	332.41	332.41	1000.23	332.41	332.41
Angleterre	56.04	56.04	56.04	5	56.04	56.04	5	56.04	56.04	5	56.04	56.04	168.12	56.04	56.04
R.F.A.	11.32	181.32	181.32	11	181.32	181.32	11	181.32	181.32	11	181.32	181.32	543.96	181.32	181.32
JAPON	18.54	683.54	683.54	23	683.54	683.54	23	683.54	683.54	23	683.54	683.54	2050.62	683.54	683.54
Belgique	11.07	206.57	217.64	12	206.57	206.57	12	206.57	206.57	12	206.57	206.57	623.78	206.57	206.57
Canada	2.34	114.44	114.44	5	114.44	114.44	5	114.44	114.44	5	114.44	114.44	343.32	114.44	114.44
Etats-Unis	5.54	5.54	5.54	5	5.54	5.54	5	5.54	5.54	5	5.54	5.54	16.62	5.54	5.54
Autriche	2.07	41.72	41.72	3	41.72	41.72	3	41.72	41.72	3	41.72	41.72	125.16	41.72	41.72
Portugal	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Grèce	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Suisse	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
O.S.	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Autriche	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Canada	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Belgique	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
U.S.A.	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Chine	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
Portugal	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
U.S.S.R.	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
R.D.A.	0.11	0.11	0.11	1	0.11	0.11	1	0.11	0.11	1	0.11	0.11	0.33	0.11	0.11
TOTAL	181.40	1457.81	1457.81	100	1457.81	1457.81	100	1457.81	1457.81	100	1457.81	1457.81	4500.00	1457.81	1457.81

Key:

1. Appendix 5
2. Commitments by Countries in Planned Investments During Second Plan (light industries)
3. In millions of Algerian dinars
4. Country
5. Foreign currency
6. Federal Republic of Germany
7. Switzerland
8. Spain
9. Hungary
10. Romania
11. Sweden
12. Austria
13. Poland
14. German Democratic Republic
15. February 1979

At the Constantine tractor-motor complex built by DIAG, production began 2 years late because of design mistakes and problems of the builder. Information on technology is given out bit by bit. Training bordered on failure. And yet, it cost over 30 million DA.

Because of their level of economic development and the class content of the government, these exchanges do not prepare the way for a political questioning of the socialist system by the multinational companies, nor do they increase the vulnerability of their economy -- far from it.

These trades are planned.

A repudiation of our national capabilities, essentially those of our training system, although it has had the help of "international consulting staffs."

Snowballing Strategy

1 -- What these mechanisms that now govern the completion of industrial projects?

One must examine the manner and conditions in which, by means of the national companies, the objectives of the national development strategy are achieved.

Project Studies: These are completed following the "project analysis" technique, whose purpose is to determine how beneficial the project would be.

The theoretical model considers the project as fitting into two markets: that of the factors and that of the products, introduced into the analysis through the price structure. However, internal prices are not considered, but rather, international prices that prevail on the capitalist market. Choosing a project using as a criterion the project that would be gained if "international prices" were in effect leads to the greatest possible integration into the capitalist system.

Naturally, "social" interests are taken into consideration, but the fact remains that when made on the microeconomic level based on the criterion of profitability, the study does not look at results as a whole with the specific conditions under which the overall plan would be carried out. The addition of choices by project does not always lead to the basic choices of the plan.

Technical studies, like the profitability studies, will be influenced by this objective because they will resort to a choice of the most profitable production techniques and will have implications as to the choice of the equipment plan, its adaptation and its insertion into the national conditions of maintenance, standardization, polyvalence, manufacturing procedures, and so on.

Technical studies are generally done by engineering firms linked to the capitalist market. In the best of cases, that in which the study phase is carefully prepared for, one will notice that the builder does not conform to it and rarely to specifications.

Search for partner: The procedure for seeking competition through the call for bids limits participation of socialist countries in a singular fashion for the essential reason that this procedure is not compatible with their planning needs.

Drawn up with the aid of "foreign experts," the call for supposed competition is often illusory. It amounts to denying or failing to recognize the existence of cartels and their entente (further on, we shall see that the call for bids in the petrochemical sector is in fact reduced to a few multinational firms, given the high degree of concentration). Furthermore, the (often gigantic) size of our projects and the technological demands limit "competition" to a few capitalist firms.

Credit conditions: Closely linked to the builders, the capitalist banks dictate and act on the choice of our partners.

Actually, criteria of appreciation are generally distorted and the procedure favors the capitalist firm already established in our country.

This procedure is not inevitable, however, because the example of a project such as that of Berrouaghia with the German Democratic Republic -- exceptional, without a doubt -- contains lessons that are not without interest.

The SONIC unit in Saida: The plant went into production before the performance tests (contractual) with the firm were ever completed. Serious problems of reliability and undersizing of equipment exist.

Contract and its negotiation: The contract is theoretically the final step in a thorough examination by the commission of markets, offers and the comparative table of offers. However, in actuality, this examination is made under the previously described conditions.

This is especially true since in the drafting of the type contract, the "foreign experts" are involved and through negotiations, they cooperate as advisers. It often happens that the "expert" who "advises" a national company is directly or indirectly linked to the capitalist firm with which negotiations are underway.

The latter also deal with credit conditions, which are not necessarily those presented in the bid, because when bids are filed, there are always reserve clauses relative to financing conditions, which are the domain of the banks and the capitalist insurance companies.

Methods of completion: "Key-in-hand," "product-in-hand," "broken down," "costfree": These formulas give the capitalist builder control over the design and construction of the plant, with the latter entailing the obligation to train personnel, ensure startup and initial management.

The American company Chemico left GNL plant 1 uncompleted with only 20 percent of work on the site finished. Technip is causing Skikda delays.

Many questions are posed: How can the capitalist firm, controlled by capitalist financial institutions, reconcile their concern for profit with their contractual obligations? How do they use their complete freedom for construction of the plant? Do they truly have the vocation in Algeria to discharge responsibilities they do not have at home? In seeking to subcontract for the required qualities they are lacking, are they capable of harmoniously integrating them and at what price? At what price do they prepare for the risks and contingencies they face? Does the guarantee retained by the national company (between 5 and 10 percent) procure the desired protection?

In addition to the national company, which is excluded from decisions within the province of the capitalist firm (design, choice of material, preparation of the site, startup, training, and so on), even its right of inspection which is exercised a posteriori, is very limited in the technological mastery of the whole.

These methods, which excludes the national company from an examination of the most essential elements, is often demobilizing. Some are content with the agreement, sure that they will be satisfied knowing the project will be completed (for better or worse). Others may not feel concerned, having been excluded from the initiative.

The passive attitude is greatly encouraged by the fact that the capitalist builder has the power of grading Algerian plant personnel when it is under construction or starting operations.

Obligations as to time, quality and quantity are ambiguous and relative because they are linked to different, sometimes contradictory, interpretations. Schedules in particular appear in practice to be likely to lead to slipshod working methods and the errors and poor workmanship that follow. Reception within the times stated by the schedule implies that the national company organizes its demands as a coherent ensemble, which is not the case because in the view of the builder, these elements are opposite one another.

Repression of trade union activities: On the Italconsult project site (SNIC project in Ain Temouchent), the influence of the firm is such that it has the Territorial Union eliminate two unionists who started a petition denouncing violations of labor legislation and the layoff of 120 workers for 14 days.

Furthermore, delays in meeting the schedule are usually viewed and penalized in terms of the demands and importance of the project itself in technical terms and not in terms of the implications these delays might have for execution of the plan on a national level.

These efforts at penetration are not countered by a sufficiently realistic and vigilant estimate of the imperialist system, despite the beginning of awareness.

2 -- Four main modes of operation have greatly aided this penetration:

Costfree: In accordance with this formula, the project foreman (the national company) entrusts to a single partner or a "consortium of companies acting jointly and solidarily" all tasks of design, building construction, and the setting up of equipment which are involved in the production objective, in exchange for reimbursement of the real cost, to be borne by the latter, and a fixed percentage representing its remuneration. The partner guarantees the quality and quantity of services and supplies needed, but makes no commitment as to their final cost. "The partner is assured of total and adequate remuneration for his actions."

Broken down: According to this formula, the national company itself coordinates all tasks, whose execution is entrusted to several foreign partners separately. "The latter guarantee, each in his own area, the supplying of a given volume of services and equipment, but neither is implied in the obtention of the final production result, whose responsibility falls exclusively on the shoulders of the project foreman."

Product-in-hand: This formula enables a national company to entrust to a single partner (or to a consortium) "all tasks having to do with the obtention of the production objective. In exchange for an overall, lump sum, the partner guarantees the quality and quantity of his services and the equipment supplied and pledges to obtain the production standards set, using the Algerian personnel trained, within a previously established period of time."

At the SONITEX complex in Tiaret, officially opened in November 1976, several pieces of equipment have not yet been received.

The "key-in-hand" formula entrusts to a single partner (or to a consortium) "all tasks with the notable exception of initial management of the plant. In exchange for an overall, lump sum, the partner guarantees the delivery of a given quantity of services and pieces of equipment, but does not agree to supply proof of the obtention of the quality or quantity of production, using the Algerian personnel trained."

These formulas have been imposed "within a context that required the leveling off of limitations and risks linked to the choice of products to be

manufactured, the system of organization to be adopted, the training of personnel and the actual transfer of technologies, within the very short periods of time demanded. That is why they were to help obtain from the partner precise and real guarantees regarding the quantity of products manufactured and their technical development, the design of the production apparatus, the capacity of the production apparatus, the efficiency of organization, the quality of personnel training and the competence of technical assistance linked to the management of the plant. A survey in our country has shown "that with the exception of India, one can consider that Algeria was the first country in the Third World that was newly independent to try to embark upon such an industrial adventure."¹⁹

An important fact is that the formulas for the completion of industrial projects are presented as techniques with many advantages at a time when they were becoming widespread in our country. When practice has given the lie to the alleged advantages of the key-in-hand system, the product-in-hand formula was presented as being more advantageous. As practice once again showed this was false, there is now an attempt to seek out formulas masquerading behind magic advantages that are qualitatively superior to those that went before.

There is also an attempt to gain credit for the idea that the capitalist companies are reticent to accept these formulas.

However, the spread of these formulas in our country leads one to believe the contrary. Their drafting is actually the result of the counterstrategy worked out by the multinational companies to respond to our country's development efforts and annihilate the effort to withdraw from the international capitalist division of labor.

In order to measure the real or supposed advantages of the key-in-hand or the product-in-hand system, let us compare opinions expressed about them by certain national industrial circles and the engineering consultants from the capitalist firms.

Corruption: At what was the BUM site in Sidi-Bel Abbes (school and building construction), the West German firm corrupted members of the trade union section, some of whose members received up to 4,500 DA as guards.

Counterstrategy of Multinational Firms

In certain national circles, let us quote [line apparently deleted] "Today, particular interest is shown in it (the product-in-hand formula) in the numerous countries which have closely followed the Algerian industrialization experience.

"At the same time, it has not failed to give rise to serious concern in certain Western management circles, which have found in it the seeds of a

new economic order less favorable to their interests. The fact that one hears such organizations complain about such a formula and encourage their countries' exporters not to subscribe to it is completely understandable when one knows how strongly they intend to defend the privileges of their dominant economies.

"But the fact that voices are raised in Algeria, even in economic circles that are adequately informed, to criticize this formula and distort it never fails to surprise one.

"Actually, it has been said that this formula was costly, that it did not allow an adequate mobilization of human means or the integration of national goods and services in the plant's construction phase.

"Some persons have even gone so far as to think that the Algerian operator who used such a formula was content to sign a contract, pay the price for it and wait a few months for the plant to be turned over to him, ready to go into operation. They actually believe that the Algerian operator has no particular merit to boast of in using a 'magic' formula available to anyone with sufficient financial means."²⁰

From the standpoint of the engineering advisers of the capitalist firms:

For the key-in-hand entrepreneur, "the essential purpose of the study is to save money on construction. Actually, the budget for a project, aside from the purchase and preparation of the site, is mainly divided as follows: 10 percent for studies, 60 percent for the purchase of equipment and 30 percent for the site, civil engineering and assembly. The key-in-hand contractor has a transaction which establishes minimum quality. His study department has the duty to obtain all possible savings on equipment and assembly, remaining just above the limit of the quality imposed, whence this remark by an engineering official: 'Since I have trained my engineers and technicians in the key-in-hand method, I can no longer make them do studies properly.' The decisive weight of the construction portion of the project necessarily leads to subordinating the study department of the key-in-hand contractor, it causes studies to be minimized and attention to be given only to what has turned out to be defective during work. Unfortunately, not all the defects appear during this period and it is even probable that they are more likely to appear after startup. Given the considerable portion of the budget devoted to the purchase of equipment in a key-in-hand operation, the contractor is naturally tempted to squeeze prices of his subcontractor suppliers, even if the latter are imposed by the contract. It is not necessary to go into the disadvantages that inevitably result for the quality of the operation (...) The project foreman can no longer communicate directly with material suppliers; he therefore loses the benefit of suggestions that such suppliers could provide (...) Moreover, it is no longer possible to change anything at all without opening up new negotiations with the contractor. The project foreman must give up making any modifications in the establishment of limits and the choice of equipment. As soon

Appendix 1. Evolution of Our Relations With Socialist Countries in the Light Industries Sector During the Second Five-Year Plan (in millions of DA)

Country	1974	1975	1976	1977	1974-77
Hungary	43.80	78.37	54	50.82	226.99
Romania		2.82		104	106.82
Bulgaria		12.60		2.02	14.62
China				7.95	7.95
Poland			1.38	1.02	2.40
USSR	0.53	0.13	0.01	1.72	2.39
CEE		1.10			1.10
Total	44.33	95.02	55.39	167.53	362.27

as the price argument is considered as decisive, the authors of key-in-hand proposals will be forced to supply cheap equipment for everything that is not spelled out in the contract and install it in the least costly manner."

According to one specialist, the key-in-hand formula benefits the supplier. This contract actually gives the supplier complete freedom of movement to design, organize and execute. From the time a design is proposed, this contract makes it possible to "sell" technology, equipment, civil engineering and assembly. It makes it possible to propose financing formulas with the supplying of credit, bringing in different companies that either belong to or are linked to the same industrial or financial group. Moreover, the lump sum agreed upon by the contract makes it possible to avoid giving a precise breakdown of costs. This has two important consequences: a practice of overbilling, on the one hand, and an effort to cut corners on construction and material, on the other hand. Such attempts to achieve savings on the part of the key-in-hand contractor have an effect on performance (or counterperformance) of the production unit.

This hurts the customer and increases the risk of defects that sometimes show up at the time of startup but generally later, defects that reduce the effectual production capacity or reduce the life of the unit.

The criticism leveled against the product-in-hand formula stems from the same effects. It was said that it was to "provide a solution to the problem of supervision of the production unit because the national companies do not have the required ability to inspect the different parts and elements making up a production unit, especially during the phase of reception (tractor, television, and so on), or technical means.

"Due to such limitations linked to supervision of production units delivered key-in-hand, the idea came about of controlling the final product rather than the production unit," whence the expression "product-in-hand."

Appendix 3. Capitalist Firms Most Heavily Involved in Completion of Projects During Second Plan (1974-1977)

Firm	Country	Funds Committed	Share in Country of Origin	Share of all Commitments Lt. Ind. Sect.	Essential Activities During Period Under Consideration
Famatex	FRG	2,093	56%	9.3%	Blue jeans, Sebdou; weaving, finishing, Souk-Ahras; weaving, finishing, Biskra; textile scraps, Sidi-Aich
Marubeni	Japan	1,431	65%	6.5	El-Asnam-Saïda cement works
SYBETRA [Belgian Foreign Contracting Syndicate]	Belgium	1,254	62%	5.6	Asbestos-cement unit, Bordj-Bou-Arredj; spinning and weaving, Laghouat; Akbou velvet complex
Creusot-Loire Enterprise	France	1,106.7	26%	4.9%	Beni-Saf and Constantine cement works
CTIP [Technical Italy Petroleum Industries Company]		879.8	19%	3.8%	Medea antibiotics complex
ITECO	Italy	791.4	18%	3.6%	Khenchela weaving and finishing unit and Merouana carded wool spinning unit
Fritz-Werner	FRG	705.9	19%	3.1%	Milliana special products unit
Italconsult	Italy	676.3	15%	3 %	Chelghoum Laid, Sour-El-Ghozlane and Ain Timouchent detergent unit
Agache Willot	France	659	15%	2.8%	Arris dyed thread unit
Krebs	France	617.6	14%	2.7%	Tebessa and Ain-Beïda spinning unit and Meskiana washing-carding unit

(Appendix 3, cont.)

SACM [expansion unknown]	France	483.8	11%	2.1%	M'Sila industrial fabric complex
Implanti Generale	Italy	468.2	10%	2 %	Bougaa sewing thread unit
CMC [expansion unknown]	Italy	423	9%	1.8%	Sidi-Aich, Baghlia and Fedj- M'Zala flour mills-semolina factory
Mitsui	Japan	405	18%	1.8%	Mila and Maghnia crockery and table service unit
Speichiem	France	404.4	9%	1.7%	Lakharria ink-resin complex
C. Itoh	Japan	381.3	17%	1.7%	Nedroma high-quality silk goods complex
Buhler	Switzer- land	350.8	39%	1.6%	Laghout, M'Sila, Touggourt, Arris, Ouled Mimoun, Saïda and Mahdia flour mills and semolina factories
Salini Icomsa	Italy	301	7%	1.4%	Ain-Beïda and Tebessa spinning units (civil engineering)
Becsa	Belgium	272.9	13%	1.2%	SIG [General Industrial Company] and Souk-Ahras paint units
SODETEC [presumably SODETEG]	France	264	6%	1.1%	Ain M'Sila prefab unit
INGECO [expansion unknown]	Italy	250	6%	1.2%	Bordj Bou Arreridj bag and folding box unit

Verkor	Belgium	243.5	12%	12 %	Khenchela panel unit, extension of Bedjaia wood combine
Aceh	Spain	228	37%	1.1%	Djelfa and El Kantara flour mills and semolina factories
Occr Inter. G	France	223.4	5%	1 %	Jijel and Marsa Wadi cork units, Telagh and Djelfa panel units
ECA [expansion unknown]	Spain	212	35%	1.1%	El-Harrouch and Oum-El-Bouaghi flour mills and semolina factories
Zhokke	Switzer- land	209.9	23%	0.9%	Supplying of framework and civil engineering for Tlemcen silk com- plex
Sulzer	Switzer- land	204.7	23%	1 %	Tlemcen silk complex (equipment)
EFF [expansion unknown]	France	192.5	5%	0.9%	Civil engineering for El-Asnam and Constantine cement works
SOMERI [expansion unknown]	Algeria	175.2	5%	0.9%	Studies for the cigarette-match and snuff-chewing tobacco complex projects in Khroubs, Sig and Blida; Saïda and Ouled Mimoun semolina factories; Bel Abbes semolina factories and Cherrhelle biscuit factory
Klockner	FRG	167.8	5%	0.8%	Maghnia corn unit
Odessa	Spain	167	27%	0.8%	Smar Wadi yeast plant and Corso industrial bakery

BUM	FRG	140.20	4%	0.7%	Nedroma and Larbaa Nathirathen furniture units and Ain Beida general joinery
SACMI Impianti	Italy	137	3%	0.6%	El Achour ceramic tile unit and Tenes bathroom tile
Intercoop	Italy	126.3	3%	0.6%	Bechar, Sidi Aissa and Ksar-El- Boukhari flour mill
Knauf-Eng	FRG	123.36	6%	0.5%	Fleurus plaster unit
SAMIC [expansion unknown]	Belgium	108	5%	0.5%	Tiaret and El Milia tile and brick works

In addition, the importance of the preliminary studies has been "perfectly understood by the major firms," which know how to use them for their own benefit. BUSINESS INTERNATIONAL explains that the practice of the large firms with respect to calls for bids consists of getting in on the projects from the very moment when there is any discussion or decision on specifications.

The firms have their own engineering departments and their industrial design subsidiaries begin by offering their services to draw up the bid clauses in such a way that they will later be in the best position to respond.³⁹ The result is that the bid is awarded before the call is even put out, as firms unaware of such practices have learned at their own expense.^{39a} "It is likely that at the present time, the large firms are still frequently in a position to impose, directly or indirectly, the industrial (and other) projects completed by the developing countries.

They suggest a project idea, a type of product, a volume of production, a technical process. They furnish a completed study free. Finally, through their orientation and organization of industrial development, they impose a certain dynamic of social transformation.

The most recent studies have revealed the very close connection that exists, despite proclaimed independence, between engineering and equipment builders.⁴⁰ "In this context, the foreign engineering company has no interest in giving up its place and chance to the first equipment made locally." They therefore draft a shrewd strategy to exclude national builders to the advantage of capitalist builders. The national will for industrial integration pays the price, as does national production.

In this area, the effort is subdued when one realizes that the importation of equipment and the remuneration of "international consultants," all more or less linked to the multinational firms, have "no interest in conceiving engineering going beyond the standards and specifications of these firms."

Certain analyses, some of which have even been advanced in our country, would actually lead one to think that the move to the key-in-hand formula and then to the product-in-hand operation "stems from the initiative of customers belonging to developing countries." They have been developed by means of "certain rather negative reactions on the part of firms in industrialized countries to the product-in-hand formula, which may have suggested a surprise effect catching firms off guard and providing the developing countries with an advantage."

Actually, which firms reject the key-in-hand or product-in-hand formula? They are small and medium-size capitalist enterprises that do not have sufficient capacity to take part in an underdeveloped environment presenting a whole host of limitations. These formulas are cornered by the multinationals, thereby reflecting -- by being reproduced in our country -- the degree of monopolistic concentration in the capitalist system. For

Appendix 2a. Firms in Capitalist Countries (Light Industry Sector)

Country	Number of Firms
France	83
Italy	30
Federal Republic of Germany	53
Japan	5
Belgium	16
Switzerland	18
Spain	9
Sweden	4
Great Britain	4
Austria	1
Canada	3
United States	3
Total	229

February 1979

example, the multinational company Creusot Loire has contractual commitments during the Second Four-Year Plan amounting to 1,106,700,000 DA (including 844.54 in foreign exchange) in the light industry sector (first French firm in the sector) for a single project with the SNMC [National Building Materials Company] (Constantine).

The multinationals have quickly adapted. "The product-in-hand formula has opened up a new wide-ranging market: a market for the training of industrial operators at all levels." They quickly perceived the possibilities open to them.

Furthermore, insofar as the supplier of the product-in-hand unit assures himself of a monopoly over the supplying of intermediate products, semi-finished products and sometimes even raw materials, in exchange for the guarantee granted on the product, one can rightfully wonder whether the product-in-hand formula does not fit into a new strategy of the large industrial firms.

It would be a strategy in which the subsidiaries' 100-percent control and presence of the joint ventures, majority or minority participation give way to more discreet and more flexible connections, but they would not necessarily be any less restrictive. Are the monopolies over training, the supplying of equipment, the supplying of intermediate goods, semi-finished products and raw materials not characteristic of a process that one could label (...) as "technological affiliation"?

At any rate, this corresponds to the objective of the suppliers (large firms) in industrialized countries to make techniques a new instrument of penetration and, if possible, control.²³

As one manager writes,²⁴ while profitability in the sale of major industrial projects "is not always of a short-term, financial order, it is commercial or political. This latter political aspect frequently returns as an explanation of this new trade. The industrial project permits lasting presence on the market."

Spiraling Added Costs

3 -- Under such conditions, it would perhaps not be superfluous to think that the difficulties linked to the added costs of our industrial projects are not solely due to restrictions resulting from a milieu involved in its first industrial experience. The graduating difficulties engendered by the penetration of capitalist firms is not foreign to it. They have no interest in seeing socialism built in our country and one cannot require that they help us, through a series of contractual formulas, establish the material foundations of socialism. [portion of sentence deleted] can one ask them to help set up an economic and political system that they are fighting all over the planet, for the basic contradiction remains: the contradiction pitting socialism against capitalism. It is not part of the logic of political struggles that they should fight against themselves.

Development plans have allowed the development of intense trade and increasing integration into the international capitalist division of labor to a point now critical.

Most Credible Reports

Let us listen to the experts:

"In 1977, the net deficit for services continued to grow rapidly (28.5 percent), mainly due to the effect of payments for technical assistance relating to major investment projects and inflated interest payments for the foreign debt.

"As a result, the deficit in the current operations account has more than doubled, reaching nearly 2 billion SDR. Despite a 17-percent increase in net capital receipts, essentially in the form of supplier's credits and loans granted by foreign private banks, official gross reserves have dropped by 9 percent, totaling 1.6 billion SDR at the end of the year, the equivalent of 3.3 months' imports of goods (CIF), compared with a cover of 4.5 months at the end of 1976.

"Since 1973, Algeria's outstanding foreign debt nearly tripled and its ratio to the nominal GNP and exports increased considerably. By the end of 1977, it had reached 7 billion SDR, 87 percent of which included supplier's credits and financial credits. Consequently, the structure of datelines and the conditions of the debt have deteriorated.

"Consequently, payments made for service on the debt have rapidly increased and the ratio of these payments to exports of goods and unfactored services went from 4 percent in 1974 to around 18 percent in 1977."

It will take 57 billion DA in investments to complete projects not finished within the framework of the Second Plan, in order to enable the new industrial facilities to begin their normal production operations thanks to the purchase of additional equipment and technical assistance.

Some one-third of the national companies' investments will be financed by foreign resources.

"According to estimates for 1978, the current deficit in the balance of payments will increase 20 percent, totaling 2.4 billion SDR (or 13 percent of the projected nominal GNP) and the net capital receipts needed for its financing should be 37 percent more than in 1977.

"The increase in payments for services, essentially technical assistance, and, to a lesser extent, freight and interests on the foreign debt will bring about almost a 15-percent increase in the net deficit for services. The inflation of the overall deficit for goods and services (19 percent) should be only slightly made up for by a moderate increase (13 percent) in net receipts from transfers, mainly funds sent by workers."

In order to meet the increased deficit in the current account and to ensure repayment of a larger foreign debt, it is estimated that some 3 billion SDR in foreign loans will be needed. About 60 percent of these loans will be mobilized in the form of financial credits and the rest in the form of supplier's credits, which will increase the already high portion of these loans in the overall figure for the foreign debt.

"Payments for service on the debt will go up 12.4 percent and their ratio to exports of goods and unprocessed services will continue to increase, according to projections, going from 18.3 percent in 1977 to some 20 percent in 1978."

One must note this spiral of added costs and reassessments in industry for projects linked to capitalist builders. The little data available naturally does not enable one to draw overall conclusions. One can only point out a basic trend.

In Light Industry

In the period from April 1977 to November 1978, 424 contracts were signed with national and foreign partners, including 38 principal contracts and 386 so-called secondary contracts (studies, supplying of auxiliary equipment, civil engineering, technical assistance engineering and engineering consultations). At the end of September 1978, 56 secondary contracts and 22 principal contracts were not yet in force.

Naturally, the limitations linked to the national industrial environment are not unrelated to this (industrialization decisions). But in all cases, reports automatically result in substantial reassessments, bringing about

additional investments, added costs linked to imports (equipment, services rendered, and so on).

The capitalist firms systematically demand price revisions, which is not unreasonable. But the excessive revaluations and, at a higher level, "project blackmail," are to be questioned. The nature of the capitalist partner remains the most important cause.

Three examples:

The Lakhdaria ink-resin key-in-hand contract signed on 29 June 1977 between SNIC and Speichem (France), for a cost of 403.22 million DA.

The contract went into effect 8-1/2 months late because of the individualization decision.

In keeping with contractual penalties for delays, the French firm asked SNIC for a revision of the cost of the contract amounting to 19.47 DA, payable in foreign exchange, plus the financial charges implied by the establishment of the foreign credit, amounting to 10 million DA.

The Merouana carded wool-spinning unit, a product-in-hand contract signed on 23 February 1977 between SONITEX and SNAM, Projetti/Itenco (Italy), for a cost of 33.8 million DA.

The individualization decision made by the former Office of Secretary of State for Planning came 14 months late.

The Italian firm demanded, as contractual penalties for the delay, that SONITEX pay a revaluation of 25 percent of the contract cost, or 81 million DA, including 68 million payable in foreign currency, plus the financial charges related to financing, which could amount to 50 percent of that same amount. The foreign firm hardened its position in order to get the maximum out of SONITEX.

The contract for the school supplies and equipment manufacturing unit in Mesra (Mostaganem), signed on 11 April 1977 between SONIC and Bielomatik (Federal Republic of Germany), for 16.55 million DA.

The contract went into 15 months late.

The West German firm demanded of SONIC a revision of contractual prices amounting to 11 percent, or 1.82 million DA payable in foreign currency.

"Unlike the three cases mentioned above, almost all (capitalist) partners choose to manifest their demands at a time when the customer no longer has any advantage consisting of the possibility of terminating the contract at the least expense.... They proceed to demand price revisions at a time when the contract in question is highly involved (project under construction)

Secteur des Industries Lourdes (1)

P R O J E T S (2)	Individualisation			(5)	(6)	(7)	(8)
	Date	(3)	(4)	Coût	Finan-	Construc-	Mode de
		Coût de la demande	Coût de la décision	fin 1978	ment externe	teur principal	réalisation
(9)							
<u>Premier Plan 1970/1973</u>							
- Cablerie électrique (10)	22.11.73	88,8	82,8	88,8			
- Cablerie téléphonique (11)	3.10.70	22	9,8	18,8			
- Electromécanique (12)	3.10.70	33,4	33,4	33,4			
- Electrification (13)	3.10.70	7,8	8,8	7,8			
- Eclairage (14)	9.8.68	8,8	0,8	8,8			
- Piles et Accus. (15)	7.4.71	177,-	108,-	188,-	88	DIAG	(17) Prod.en main
- Appareils ménagers (16)		710,-	400,0	710,-	288	DIAG	" "
TOTAL		1048,4	610	10172	320		
(18)							
<u>Deuxième Plan 1974/1977</u>							
- Electronique Grand (1) (19)							
Public (Sidi-Bel-Abbès)	27.11.74	1880	1174	1700	888	GT EI	
- Téléphone (2) Tlemcen (20)	29.10.75	2488	2000	2000	1114	SESA	
- Lampe (3) Mohammadia (21)	30.12.74	882	398	800	204	DIAG	Prod.en main
- Matériel électronique industriel (4) (22)	-	-	1480	1820	188	DIAG	" "
- Réparation matériels électriques (5) Oran (23)	1.9.77	78	62	62	26,8	CLEMES-SY	" "
- Réparation matériels électriques (6) Annaba (24)	1.9.77	140	99,8	99,8	48,1	Clemens	" "
- Electronique professionnelle (25)	29.12.78	30	17	17		Harris Corp.	" "
TOTAL		5153	5138,8	5188	2248,7		

(26)						
(1) Coût en devises : 979 millions DA	(3)	"	323 millions DA	(5)	"	34 millions DA
(2) Coût en devises : 1220 millions DA	(4)	"	945 millions DA	(6)	"	64,2 millions DA

Key:

1. Heavy Industry Sector
2. Projects
3. Cost of demand
4. Cost of decision
5. Cost end of 1976
6. Foreign financing
7. Principal builder
8. Type of execution
9. First Plan 1970/1973

(Key, cont.)

10. Electric Cable Manufacturing Plant
11. Telephone Cable Manufacturing Plant
12. Electromechanical Plant
13. Electrification
14. Lighting
15. Batteries and Accumulators
16. Household Appliances
17. Product-in-hand
18. Second Plan 1974-1977
19. General Public Electronics (Sidi-Bel-Abbes)
20. Tlemcen Telephone
21. Mohammadia Lamp
22. Industrial Electronic Equipment
23. Electric Equipment Repair (Oran)
24. Electric Equipment Repair (Annaba)
25. Professional Electronics
26. Cost in foreign exchange

to such an extent that any possible cancellation could result in extraordinary losses for the customer due to the claims in question."²⁶

Added production costs remain very substantial.

The cost of imported raw materials is exorbitant. For complexes that have gone into production (Batteries and Accumulators, General Public Electronics, Household Appliances, Lamps), the cost of imported raw materials from the builder remains almost equivalent to the import cost for finished products made from those raw materials. This stems from the fact that the SONELEC units depend on the sources of supply recommended by foreign builders.

Furthermore, the cost price structure is heavily encumbered by the large share of amortization and financial charges.

Accumulated debts vis-a-vis the capitalist countries (1971-1978) amount to: 313 million DA to Spain; 437.1 million DA to the Federal Republic of Germany; 120 million DA to the United States; 12.5 million DA to France; 23 million DA to Denmark; and 40.5 million DA to Canada.

Foreign credits (supplier's credits, buyer's credits, financial credits, World Bank) amount to 1,589,000,000 DA from 1969 to 1978, including 1,128,000,000 in the form of buyer's credits.

SONACOME [National Mechanical Engineering Company]

Out of four complexes in production, SONACOME built three with firms from capitalist countries using the product-in-hand formula.

For the cycle and motorcycle complex in Guelma, built by DIAG (Federal Republic of Germany), in addition to the fact that the builder was not sufficiently acquainted with the product to whose manufacture he was committed, production began 2 years late because of a design mistake. At the same time, the firm imposed very harsh clauses: ban on manufacturing over 15 percent of the spare parts; ban on the export of cycles and motorcycles; and the obligation to use certain imported raw materials to the detriment of national products.

The number of engineers trained by DIAG scarcely meets one-fourth the needs of the complex.

Furthermore, the project cost 75 percent more than anticipated, mainly because of the revaluation of the mark and the increase in prices of imported equipment.

For the motor-tractor complex in Constantine, also built by DIAG, production started 2 years late for the same reasons. Tractor production, so long awaited by agriculture, scarcely amounts to 20 percent of the installed capacities.

Petrochemical Sector

In 1974, a contract was signed between SONATRACH and the British firm PROCOM [expansion unknown] for the construction of a refinery in Bejaia with a capacity of 7.5 million tons. The estimated cost was nearly 300 billion and the plant was to go into production in June 1979.

Two years later, it was noticed that the ground was not stable. In the meantime, expenditures had already totaled tens of billions.

Since the site was not viable, cancellation of the contract had to be negotiated and the builder would exact a high price.

The Bejaia insulating foam plant was to go into production several months ago (the foam is used in the building industry for insulation and sound-proofing). In order to achieve industrial integration, there were plans to use the synthetic resins produced by an Arzew unit in the foam manufacturing process. However, it would appear that these resins are not suitable. Handling and transport (Arzew-Bejaia) would cause them to lose some of their properties, making them unusable.

Nevertheless, it was SONATRACH management that had followed the construction of two plants using the executive "advice" of the multinationals' consulting staffs and engineering departments.

The silent penetration of multinational firms is therefore an objective reality that can be observed daily. The potential political danger it represents is no longer to be underestimated. One should perhaps meditate on the coincidence appearing between the final discharge given by the

International Monetary Fund with reference to Algeria and the increase in the number of credits granted to our country by financial capitalism.

Could this be insurance given to big capital to encourage it to infiltrate our national economy, inasmuch as Algeria has natural resources as a guarantee in case of insolvency?

The assumption that "foreign indebtedness is a healthy, positive operation" is destroyed by the facts: "Because the foreign credits granted to us by financial capitalism are not aimed at contributing to the operation of the government but at increasing the country's production capacity, they constitute a healthy operation."

Is it therefore permissible to wonder whether it is always good to extend the position of necessary indebtedness even if it is made relative in terms of the outrageous export objectives of our oil and gas resources? Does continuing on this course not converge with the avowed strategy of the multinational firms and the capitalist institutions? And what value would there be in scientific planning, some of whose determining factors would be controlled by the imperialist system? Does the fact that the latter has become accommodating with respect to credits still constitute a "sign of good health" without any danger to our economic independence and our political options?

The mission entrusted to the minister of planning and land development by the president of the republic and secretary general of the party "to draw up a balance sheet of all actions undertaken in the economic and social domain by the government and public enterprises since the beginning of the four-year period"²⁷ is assuredly timely and necessary.

The fact that the guidelines of the next plan emphasize the need to "control our investments" in order to reduce added costs, delays and excessive appeals to foreign construction capabilities and upgrade our existing economic potential indicates that the difficulties of industry, linked to limitations engendered by our extensive relations with the imperialist system, are no longer a bugaboo but a concrete fact. They are objective because they exist independently of the subjective interpretations that one can give to them.

The second dimension of this examination involves attention to the mechanisms of supposed transfers of technology. The literature on the subject has greatly boasted of the advantages of the key-in-hand and product-in-hand formulas in such transfers.

Paradoxically enough and despite contractual guarantees sought and demanded by our national companies, these transfers are effected piecemeal.

What is more, one can observe a decrease in the number of additional contracts concerning technical assistance and appeals to planning departments

Appendix 2b.

Foreign Firms	Transactions Millions DA	Percent of Total Commitments in Light Industry Sector for Investments 1974-1977 Period
Italian	4,499.19	20
French	4,381.27	19
German (FRG)	3,772.32	16.5
Japanese	2,218.19	10
Belgian	2,039.56	9
Swiss	891.68	4
Spanish	614.88	3
Total Western Countries	18,417.09	81.5

and engineering consultants from the capitalist firms. The result is generally the outright management of industrial projects by capitalist firms, beyond the so-called phase of initial management.

In the petrochemical sector, for example, it is as if the multinational firms financed, designed, executed, managed and exported a product toward their system. We not only pay very dearly for the process, but it contributes little to the industrial integration of our country.

It is becoming increasingly apparent that the transfers of technology worsen our economic dependency on the imperialist system by reproducing it.

B. Transfer of Illusions?

"The prime objective of the multinational firms is never the transfer and adaptation of technology, but an extension of the international network of the circulation of goods which it dominates by broadening it to include the under-developed countries, causing and accentuating the effect of extroversion."

Basically speaking, the substance of the transfer of technologies is posed in terms of economic and technical dependency vis-a-vis the multinational firms. How is the transfer perceived by the management of the production apparatus?

Costly and Inappropriate Imports

Let us say first of all that in 1973, the transfer of techniques cost Algeria 800 million DA per year.²⁸ The resulting financial charges are found in all stages of the transfer: technical knowledge required in the phases of preinvestment and investment (feasibility, market studies, evaluations of needs), choice of techniques and equipment, design of how the

unit and production equipment is to be installed, training, management, marketing, maintenance, and so on. Every year, Algeria devotes some 5 percent of the GNP to the importation of and innovations in technology and only 0.5 percent to applied research. At the microeconomic level, imports of licenses and knowhow cost SONELEC (end of 1978): 54.3 million DA for the General Public Electronics project; 123 million DA for the Telephone project; 44 million DA for the Lamps project; 112.5 million DA for the MEI [Industrial Electronics Equipment] project; and 110.7 million DA for two other projects.

Every day it is becoming increasingly evident that supervision of the production apparatus and national resources, the proclaimed desire for integration and the establishment of national engineering structures have not checked the new type of domination that threatens us.

The concern expressed reveals a gradual awareness of the danger. "Over the past decade, Algeria has had to face this dependency while allowing for the deadlines it set to achieve its objectives. Engineering personnel needs continue to grow at a very high speed and if no solution is found, the direct effects of dependency will grow at least at an equal rate."²⁹

The following questions have to do with the mechanisms of the transfer of technology as well as with their significance from the standpoint of the exigencies of the capitalist system.

At the Computer Study and Research Center (CERI), students circulated a petition to protest the fact that the course on business psychology should be given by a former colonel from the French Army who led one of the three anti-FLN propaganda squads during the War of Liberation.

1 -- Mechanisms: These mechanisms affect several levels, of which we shall present a few:

With respect to the choice of procedures, the number of persons participating is very limited. "It would appear that the fewer the number of Algerian technicians capable of comparing the main technological options, the more control is limited. Dependency on foreign technology sometimes means that it not only affects investment costs, but also the operation of production units set up. Problems of spare parts and training of personnel are closely linked to problems of the transfer of technology and equipment. And if no solution is found, the direct effects will grow at least at an equal rate."³⁰

With respect to the methodology used for project studies (technical, economic, profitability), it is "identical to that followed in the countries that produce these units. The direction of the transfer is already oriented from the outset: The technical study can only choose the optimal solution known for anticipated needs, and the profitability study will be limited

to verifying and showing this implicit profitability. Choices are often made for reasons of expediency, with the aim being to finish rapidly at whatever cost."

Organization of a factory: Organization companies brought in from everywhere "propose general solutions whose results, after a decade of experience, show that caution must be exercised. There is no reason to believe that the mere purchase of licenses or the use of a license solves problems in a new plant."³¹

Concerning employment, particularly in certain branches of activity (chemistry, petrochemistry, iron and steel) where, due to heavy capitalist concentration, the choice is technically limited, whence the importation of strongly capitalist technologies leaving little place for work: "Inasmuch as one can make an optimum choice only when there exists an entire range of possibilities, one is often forced to apply an unsuitable technology because the international market offers only equipment designed to meet other needs. But given Algeria's lack of intermediate- and high-level personnel and the predisposition of those that exist to apply the most modern technologies acquired during their training in highly industrialized countries, technologies that are not adapted to the countries receiving them, this solution of resorting to limited choices often remains illusory." Frequently, the solution chosen gives an excessively decisive role to "the technical aspects of planning and certain vicious economic reasonings that are often due to a total misunderstanding of the socioeconomic environment of projects on the part of the 'technical' experts to whom they are entrusted." The Lakhadaria (CPC) is an example. It is an extremely modern unit and "there are only four or five of its type in the world." It is the epitome of equipment that is unadapted to its economic and social environment with respect to employment because of its advanced automation.

But even on the technical level, its adaptation is questionable (failure to use possibilities of automation in the handling of solvents delivered by SONATRACH). "This transfer, which is generally very costly, can be politically dangerous and economically useless if it is not selected and planned and if it does not fit into a socialist economic model that makes it necessarily provisional and if it does not escape the serious political risks of a tete-a-tete with capitalist countries."³²

"Concerning this dependency, the Algerian case, from the area of consumer goods to that of 'incompressible' hard goods, undergoes the tendencies of the supremacy of the technological process imposed by the multinational firms, whose current characteristics are aimed at keeping the industrialization of the underdeveloped countries within a framework of international subcontracting in keeping with their strategy consisting of making the industrialization of the developing regions an activity complementing their own development policy."³³

In certain nationalized units of SONATRACH (fertilizer plant in Algiers, for example), management rejects the knowledge of workers gained over 30 years of experience and appeals to technical assistance for the most basic operations.

One of the many dangers represented by the uncontrolled importation of techniques and equipment related to them is that of used equipment "unloaded" by the capitalist firms. The national press has also told of transfers of equipment by the same firm from one site (project) to another, despite contractual specifications concerning the supplying of new equipment. In this way, the firm can amortize its equipment "on the back" of several national companies successively.

New Order for Multinationals

The significance of all this has to do with dependency. The strategy of the multinational companies with regard to countries like Algeria that are developing their own industrialization and the conclusions of several decades of experience of countries that have preceded us along this path show that dependency emerging at an initial stage in the industrialization effort is neither gratuitous nor provisional. The counterstrategies worked out by the multinationals for the industrializing underdeveloped countries are scientifically put together.

Let us examine this aspect from two angles, in terms of exigencies in the strategy of the multinationals and the more global exigencies of the capitalist system.

The sale of industrial complexes by the multinational firms and its auxiliary, the transfer of knowledge, are part and parcel of their strategy.

Consequently, taking into account the lack of managers as a factor strangling development, the strategy suggested is then one which consists of "moving toward enormous industrial units making it possible to use talent and personnel available on the largest possible scale, since a structure that would call on small or medium-size enterprises would obviously use more competent personnel." This oversized aspect is indeed familiar to us. "In this connection, one may cite the Algerian projects...."³⁴ The privileged formula is the product-in-hand."

It is far from being an effective weapon in the hands of the developing countries. The president and chairman of the board of the Roubaix woolen mills expressed a widespread opinion: "The economic state of war results in the need, not to export products, but man, capital, know-how: in short, gray matter."

Professional training, one of these elements, is "a privileged guarantee of the proper utilization of French equipment and therefore, the essential condition for the establishment of the enterprise."

The "professional training" product is "more than a simple transfer of knowledge. It means establishing a dialog, going further than a commercial relationship. It means creating in this country a lasting and effective image."

The export instruments of this product are the engineering consulting firms and the industrial enterprises. For them, "the training service has not only become the prime condition for accomplishing an operation, but also an important factor for generating new contracts and a strategic element needed for opening up new markets."

In 1975, a "typology of the behavior" of (French) capitalist firms was worked out by the Technical Industrial Cooperation Agency (ACTIM) in the face of the demand for training linked to exported equipment.

The first type of behavior, that of exporters, "who are trainers by vocation" and who have equal competency in the performance of machines and the training of men, is an infrequent attitude: only 11 percent, or 7 out of the 60 enterprises surveyed. They subcontract training.

The exporters who are "trainers by virtue of reason" or opportunism, but who are aware of the commercial impact of the training service make up 37 percent. "Training is considered as a commercial investment serving the prime vocation: the construction and sale of industrial facilities." Their philosophy is the following: By training foreign specialists in their techniques, they counter competition, prepare for the possible opening of new markets (...) and will be able to deliver more complex machines with a higher added value to foreign operators having achieved greater competency. "The more advanced training is, the more expensive, complex machines one sells." "By training people, one makes them sensitive to our standards. They can then turn more easily to us than to our competitors," the managers say.

The exporters who are "trainers by virtue of need" provide minimum training for maintenance of the equipment sold in order to minimize the demand for postsale service. They make up 52 percent of the total. The training service must not go beyond the needs of immediate interest because the "guarantee contract is expensive with people who are not trained."

From the standpoint of the capitalist exporter:

Training is either integrated into the overall sale of industrial complexes, with the important thing being the overall profit resulting from the sale of the industrial project in order to make the project more credible and sell it;

Or it is considered as a "normal product that must absorb its share of structural, development charges, as would be the case of any product that can, on a dominated market, represent up to 20 percent of the turnover on the cost. "It is always difficult for the importer to argue over the overall price of a product.... Evaluation is practically impossible" when training is made part of the total cost of the project.

In the strategy of the transfer of technologies by capitalist firms, there are several motives behind the policy of industrial project sales and its auxiliary, training:

"For certain managers, it is a question of capital that must be made to bear fruit. The notion of the sale of products then gives way to that of the sale of processes, technical advances...." For Creusot Loire, for example, the sale of projects is a means (an additional or substitute means) of preserving and using the gray matter capital while making it profitable."

From a different standpoint, there are certain cases in which, due to strong technical limitations -- involving products shipped with a great risk of breakage (for some, breakage reaches nearly 50 percent) or products that are perishable -- the firm prefers the sale of the corresponding industrial product."

The commercial approach is of a geopolitical nature. One can only hope to penetrate the country in question through the project. For political reasons, there can be no question of envisaging the establishment of a circuit of distribution."

The profitability approach in the sale of an industrial project by a capitalist firm is rarely posed in terms of substitution for the sale of finished products. "The vertical and horizontal implications are too great and diffuse to be grasped. Enterprises such as Renault, Creusot-Loire and Berliet have seemingly given up the idea of justifying decisions based on the sole criterion of the compared profitability of the project.... Creusot-Loire believes that one must take into consideration the work put into subsidiaries connected with the project" (supplying of means of production).³⁶

Compared with the sale of finished products, the sale of projects makes it possible "to bring along new parallel agreements and later, to permit successive sales as the first project grows older."

Within the framework of this new exchange, the capitalist firm will "have to found a strategy of actual power on a market that directly extending its current market, sometimes compensating for inadequate growth of activity on national soil by an improved international presence."

The risks accompanying this strategy (financial, profits), risks that are linked to the environment in which the firm will have to evolve, mean that control and conditioning of the environment are a strategic need in order to rescue profit conditions. It is said that a firm "endogenizes" the imponderables that obstruct profit.

The size of these risks is such that the sale of industrial projects implies and necessarily gives privileges to firms that have "a solid hold on the reins," those that achieve the internationalization of the industrial process -- that is, the multinational companies.

The oligopolistic market structure also extends privileges to "a strategy of prices based on concertation between bidders, the tacit agreement or understanding (that) makes it possible to avoid competition that lowers the value of the product."

"The firm's external strategy will first of all profoundly modify its environment, which consists, in sum, of of bringing about what one could, to use the jargon of the trade, call an "independence agreement."³⁷ Neutral techniques therefore do not exist. The statements of Dow Chemical are enlightening: "What interested Dow was not only to sell technologies, but also and above all, management -- that is, a form of organizing the enterprise and the economy."

Under such conditions, "transfers" become mere movements within a space dominated by the firm, where the difficulties of transplantation to the outside have in fact been eliminated."

Now then, "the technological graft seems to succeed only when the host country generally plays the game of the international division of labor desired by the multinationals, without worrying about the domestic market. This is the case of Taiwan, Hong-Kong, Singapore and South Korea. Under such conditions, the firms are directly interested in the success of the graft and in order to obtain it, use all their capabilities. This is obviously not the case when the firm only sells a "packaged" technology (key-in-hand system) to countries concerned about obtaining autonomy of action over the domestic or international market. Nor is this the case when the host country (....) intends to exercise some control over the mechanisms of transfer and over the coordination of the policy of the multinationals with its general economic policy."⁴¹

2 -- What is the significance of these data on the evolution of the productive forces of the imperialist system?

The literature on this subject is abundant. We refer to it schematically and partially and only for the purpose of providing theoretical background for what was advanced above.

The new features of the process of industrialization in the capitalist system are posed in terms of internationalization, with the multinational firms being at one and the same time the result and the agent of the "new order." The following characteristics strongly mark it,⁴² in terms of analyses of industrial branches: a tendency toward the supremacy of a technological process imposed by the major multinational companies that are dominant in the world branch as a whole.

For example: in the iron and steel industry, the supremacy of "on-the-water" techniques; in the mechanical and electrical industries, the domination of General Electric and Westinghouse; in petrochemistry, domination by the consulting firms Lumus, Kellogg, Power Gas, Snam Progetti and

Techniq, "which ensure reproduction of the technologies of the major multinational firms"; the shift from a product strategy to a strategy of goods packages and especially subsets: No longer does one just sell an alternator or a transformer, but a powerplant, leading to the delivery of a plant key-in-hand; and the importance of the international commercial companies, which design the strategy of the multinationals and tend toward mastery of the market for an industry that is becoming internationalized.

On behalf of the multinational firms, the engineering companies have the task of "ensuring the supremacy of the technological processes developed and controlled by the major firms and ensuring the transformation of the product into goods packages in the form of powerplants, key-in-hand plants, and so on.

In this way, the firm sets up a new chain helping to raise the price of goods and goods packages on the international market. There systematically occurs (with the developing countries) an effect of extroversion on the host economy. "The organization of the industrial unit is based on a model imposed by the large firm. The technique is imported already broken in. The products are adapted to the norms of the international market because they are destined to fit into the goods packages which the firm puts on the international market.... The indifference of the large multinational companies to the adaptation of technologies and in general, to the introversion in which they are established corresponds to the logic of the movement to internationalize the industrial process (...). In the guise of a transfer from the center to the periphery, what one actually has is a "capture" thanks to the insertion of an economy into the network of the major multinationals, which then gain the possibility of drawing upon the new national resources of raw materials, men and capital in order to set up its goods packages on the international level (...). These are the surprises reserved for the underdeveloped countries by the hidden consequences of the transfer of technology of which they believe they are the beneficiaries."⁴³

By inserting certain sectors of the national economy into their strategy, the multinational firms worsen their extroverted nature. From this standpoint, they are actually the agent of the disposition of a new international economic order, but in their favor.

By virtue of this fact and although limited in scope, the following elements reveal a worrisome sectorial situation:

"The constitution of April 1971 gave SONATRACH the right to make partnership agreements with foreign partners provided that at least 51 percent of the shares in the prospecting and production enterprises thus set up would be retained. This is what was done with the CFP [French Petroleum Company], Hispanoil, DEMINEX [expansion unknown], UEBA [expansion unknown] chemistry, Wintershall, Union Rheinische Brown Kohlen (FRG) and Braspetro [PETROBRAS, Brazilian Petroleum Corporation].

Since the 1970's, SONATRACH's share in prospecting and production activities has increased very rapidly, which poses special problems from the standpoint of the transfer of technology.

For prospecting, production, processing and the transfer of oil, SONATRACH has used several co-enterprises with specialized service companies. To date, nine enterprises have been set up to supply a whole range of services: drilling (Alfor); geophysical activities (Algeo); the distribution and sale of drilling mud (Alfluid); diagraphic and electrical soundings and diagraphy of soundings (ALDIA); stratigraphic tests (Altest); engineering studies (Aleip); petrochemical projects (Alcip); the manufacture of spare parts for drilling equipment (Aldim); and the distribution network (Alrid). Out of the nine foreign partners, there are American companies, two Italian companies and one French company (...). The latter enjoy a quasi monopoly over a given service. This is the case of the diagraphy of borings: ALDIA, having won one-third of the domestic market for borings and the diagraphy of borings, can limit the discretionary practices of Schlumberger, which has the other two-thirds of the market (...). Alfor, which has 10 drilling facilities in service, also manages 12 facilities belonging to SONATRACH and employs 4 percent foreigners (...).

Although the foreign portion of total employees has gradually dominated for the past 15 years, foreign personnel still represented 3.14 percent of all persons employed by SONATRACH at the end of 1977. Furthermore, the vast majority of the foreign employees occupy the highest management posts and the highest technical posts (...). Training abroad is organized by bilateral "cooperation" agreements. Nevertheless, Algeria is up against a serious problem of the exodus of its nationals trained abroad.

Special arrangements were made with COMLAB [expansion unknown] (United States) in order to train engineers for storage studies. Only 10 of the 40 trainees returned to work in Algeria.

The current trend is toward experimentation with the mixed management formula consisting of making the foreign builder responsible. Mixed management in action now manages the Arzew LNG plant, Ex-Camel, the LNG plant in Skikda. Assistance contracts are being made with the Algerian gas import firms (Gaz de France, El Paso) in order to have these plants operated by technicians with often dubious training. Prices are prohibitive.

Unfortunately, there are no noteworthy examples in which a joint venture set up with international capital achieved these objectives. Thanks to this situation, some capitalist partners have even been able to obtain a monopoly over our national market.

Consequently, the misdeeds of the multinational companies in our country are neither fortuitous nor temporary, but are the product of the capitalist system to which our country is linked. These misdeeds will necessarily last as long as the system that secretes them.

The errors attributable to us in economic choices have increased our dependency on imperialism and the extroversion of some strategic sectors of the national economy. They cannot be explained solely by the underdevelopment of our country. This complacent thesis has perhaps been advanced too hastily and too easily.

Broad Reflections for Drafting of a Democratic Third Plan

It therefore becomes increasingly necessary that our country draft a policy making it possible to acquire technology in fact. Such an objectives requires a long-term plan of acquisition, importation, mastery and the creation of technology, with a determination of phases to be gone through and the means to be used.

Since technological choices are not neutral, national experiences has shown the serious weaknesses in this domain. We have often opted for importation of the most recent technology from the imperialist countries on the pretext of effectiveness, without worrying about the resulting dependency, its real cost, our ability to master it and its consequences on the employment policy. There are now numerous ultra modern facilities that were imported at prohibitive prices and whose operation is far from their theoretical production capacity. To date, the lack of national coordination -- greatly exploited by the capitalist firms -- means that every enterprise imports its own technology.

If vigorous action is not taken, difficulties of achieving control will only perpetuate the vulnerability of our country vis-a-vis capitalist countries and their design offices which orient our choices toward the multinationals on which they often depend themselves.

A policy of recovery is imperative.

By using the possibilities now offered by the scientific and technical revolution, it would be a question of gradually reducing dependency on the imperialist camp, by achieving: a greater diversification of our partners, particularly in the direction of the community of socialist countries; a rational choice of techniques -- outside of the sectors in which peak technology is imperative, we should rely on technology that has already been tried and that can be assimilated in our country; a judicious utilization of technology already accumulated, which must be inventoried and adapted to our new needs; a thorough evaluation of technology in order to make the maximum number of sectors take advantage of it; an intensification of research and development activities in connection with national priorities -- it would not be without worth to have a national plan of needs and plan acquisitions by intensifying control structures; and the establishment of a system of scientific and technical information that will permit a rational choice of the partner and technology in terms of cost, the level of the organic composition of capital, national resources in qualified personnel, raw materials and technical elements for maintenance.

In medium-range terms, a veritable scientific and technical plan must be drafted to establish organizational, human and technical means.

On the whole, the national industrial experience has shed light on certain problems linked to: the excessively preponderant place of a hydrocarbon sector essentially turned toward the world capitalist market in its markets and the equipment it requires; poor integration between the different branches set up; a new form of dependency vis-a-vis imperialism in fields as important as those of financing, execution, organization, studies, machine tools and intermediate products; and a relative imbalance between the production apparatus and basic mass needs.

Our oil resources can become a source of dependency and exploitation for our country if imperialism manages to integrate them totally into the framework of the international capitalist division of labor.

Doubly strategic (as a principal source of foreign exchange and accumulation and the main channel by which our economy is linked to the world capitalist market), this sector must be the object of specially vigilant attention. In addition to its economic aspect, it takes on a function relating to national security.

The level of oil exports should be determined within the framework of national planning and vary -- at least with respect to accumulation -- in keeping with the needs and speed of development of other sectors of the national economy and not the reverse, as provided for in the Valhyd Plan developed by the American multinational Bechtel for SONATRACH. This level should be compatible with: our medium- and long-range financial needs; the future needs of our economy in energy and raw materials, for a petrochemical industry; financial capacity and ability to make the massive, complex and costly investments required by these exports; the management and operating capacities of the different and complex facilities (Chemico case); meeting the needs of the national market, which must remain the main orientation; the exhaustion of nonrenewable resources and the use of nonrenewable resources.

Any reflections on national projects should be based on an anti-imperialist line.

The anti-imperialist line should tend toward the development of a program of application of the National Constitution, which remains the best means of going beyond mere verbal adhesion.

It is a phase in the course of which the stakes are the reversibility or irreversibility of the revolutionary process already embarked upon, at a time when certain projects completed during the past phase are torn between consolidation and questioning.

Action requires that one take into account the nature of the phase and the nature of economic and social training. It is a matter of carrying out

that profound provision expressed in the National Constitution, which is the furthering of the socialist option, thanks to which the Constitution is truly a common denominator between all patriotic and anti-imperialist forces. Success and unity in all undertakings create the conditions for furthering the socialist option and inversely, the latter is an element in the tasks undertaken. It is in fact a question of giving more strength and coherence to the major orientation found in the Constitution: the resolute, continuing fight against imperialism. This orientation requires that we not underestimate the imperialist danger and the danger of its multinationals or the strategic alliance with socialist nations.

Construction tasks: The application of a development strategy founded on an anti-imperialist orientation implies the strengthening of the state and cooperative sector in order to effectively ensure integrated national development and economic independence. In the industrial sector, many aspects require an evaluation and a serious examination: the foreign debt, technological choices with the problems of the mastery of equipment installed and those of the imported social organization of labor; the gap between the substantial investments and inadequate means of execution; the policy of developing hydrocarbons (joining the need for accumulation, integration and the long-term preservation of sources of energy and vital raw materials); and the current objective integration of our economy into the system of world capitalism.

The examination should make it possible to distinguish between the results of imperialist pressures and the results of errors of orientation, management and execution, avoiding the false alternative between reckless progress and stagnation. National planning has also experienced serious difficulties. It is a matter of going beyond the programming stage. The origin of these difficulties is found in the uncertainty and the burden imposed on our economy by the very substantial trade with capitalist countries, the failure to control the national sector, the weak participation by workers and the poor knowledge of the economic and social situation (resulting from the insufficiently scientific nature of such knowledge).... An industrial project cannot be envisaged only from the standpoint of financing and the importation and installation of equipment. As construction tasks increase in scope and complexity, underestimation of a factor can constitute a danger to the project itself and, on a larger scale, serious distortions and imbalances for the entire economy.

A definition of national objectives will be the result of the broadest possible collective reflection along anti-imperialist lines.

The influence of financing on business decisions is diffuse. It influences the commercial policy.

Relations with socialist countries often develop in sectors in which the capitalist firms are not involved because they are not very profitable and require very long periods of maturation.

Acting on behalf of SONACOME (Ain Smara crane-shovel complex in Constantine), Eisenban was to give an engineering training course in Germany in 1978, with some 50 high school graduates having specialized in mathematics and technical studies. Financing was from Komergbank. Eisenban then entered into an agreement with a subcontractor for the administration of proficiency tests in Geneva. Our high school graduates were astonished to see that the level of the proposed test was equivalent to the second year of high school. Realizing its foolishness, our graduates decided not to continue. Most of them found places abroad.

[Framed Notes]

"How can a government work out an economic plan with any confidence when a board of directors meeting 8,000 kilometers away can, by modifying the structure of purchases and the company's production, exercise considerable influence over the economic life of the country?" George Ball, banker, former American undersecretary of state and former ambassador to the United Nations. (Ch. Lewinson, *L'inflation Mondiale et les Firmes Multinationales*, p 119)

"Markets closed to products are unfailingly open to technology. The most tightly closed markets will open up to Western technology when the West opens the credits needed for such purchases. As long as the United States is the front-ranking technological power in the world, markets closed to foreign products will always be open to American technology." A. Callaghan, Jr, American manufacturer, influential adviser on the United States' technology export policy. (US "European Economic Cooperation in Military and Civilian Technology" in *MONDE DIPLOMATIQUE*, May 1979)

When asked whether there could be a Marxist government in Rhodesia, one former representative of the United States to the United Nations said: "I no longer know what is meant by 'Marxist government.' If a country has a Marxist government and its trading partner is the United States, then I am not worried." (*REVUE FRANCAISE D'ETUDES POLITIQUES AFRICAINES*, No 147, March 1978, p 36)

FOOTNOTES

- 4 [sic]. Memorandum presented by Algeria to the special session of the General Assembly of the United Nations: "Oil, Raw Materials and Development," p 105.
5. EL MOUDJAHID, 7 May 1979.
6. EL MOUDJAHID, 26 April 1979.
7. EL MOUDJAHID, 11 December 1978.
8. EL MOUDJAHID, 9 May 1979.

9. EL MOUDJAHID, 11 March 1979.
10. LE MONDE, 3 March 1979, p 7: "La Feerie Singhalaïse."
11. Ernest Maudel in MONDE DIPLOMATIQUE.
12. MONDE DIPLOMATIQUE, September 1978, pp 6-7.
13. MONDE DIPLOMATIQUE, September 1978, p 8.
14. MONDE DIPLOMATIQUE, August 1978, p 7.
15. Light industry sector seminar for third CNGSE [National Commission for the Socialist Management of Businesses], 28-29 March 1979. Commission No 2, "Structure Economique et Financiere de l'Entreprise," p 21.
16. Idem, p 21. 1977. "Out of an added value of 358 million DA realized by SNIC, 75 percent went to the financial and fiscal system. Out of that of the SNLB, 310 million DA, 58 percent went to the financial and fiscal system, and 83 of the 301 million DA realized by SNEMA [expansion unknown]."
17. Idem, p 21.
18. Reflection on economic, financial and social issues. Light industry seminar, Op. cit., p 7. Reflections prepared in December 1978, within the framework of works of the former party committee for economic and social affairs.
19. For example, giving the contract "for assistance to pedagogical operations during the 1976-1977 year" (91-189) to the National Light Industry Institute (INIL) and the French firm SODETEG (sixth-ranking French firm in the sector, with an amount of contractual commitments on the order of 263.96 -- almost as much as the socialist countries put together -- including 206.61 million in foreign exchange for the Second Four-Year Plan), which among other things handles training, for a sum of 16.2 million DA, including 13,781,550 DA, excluding taxes, to be transferred in foreign exchange.
19. See (15) Op. cit., p 5.
20. See (15), Op. cit., p 9 and following.
21. Studies and executions, Sep-Oct 1972, P. de Lachnaux. "Is the Key-in-Hand a Profitable Operation?"
22. P. Judet, "Concerning the 'Key-in-Hand' Contract, International seminar, UNIDO, Vienna, 20-24 June 1977.
23. Idem, Op. cit.

24. L. Boyer, in "L'Exportation des Connaissances et la Vente de Projets Industriels," 1977. The author was the head of different departments at Rhone Poulenc Textiles, and at SEMA [expansion unknown], headed teams specializing in industrial development and international marketing. Director of the BTE [expansion unknown], Training-Programming, he is also a university professor. He is an authority on the subject. 170 pp.
25. IMF Report on Algeria, 1978.
26. Ten-year balance sheet 1969-1978.
27. EL MOUDJAHID, 24 July 1978.
28. Secretary of state for planning, National Seminar on the Transfer of Technology, 8-12 October 1973. Final document.
29. Idem, Op. cit., SNERI communication.
30. Idem, Op. cit.
31. Idem, Op. cit., SN METAL [National Metal Construction Company] communication.
32. Idem, Op. cit., ONAMO [National Algerian Manpower Bureau] communication.
33. Idem (31).
34. See 24, p 78.
35. See 24, p 95 and following.
36. Idem, p 169.
37. Idem, p 181.
38. See 22, p 21.
39. Example Oct. 2.5 of contract Op. cit. 18: "Assistance for the supplying of scientific teaching equipment: SODETEG will provide the following services: consultations with suppliers, list of bids submitted, proposed orders...."
- 39a. See 22, quoting BUSINESS INTERNATIONAL, 6 February 1976, p 43.
40. See 22, quoting J. Penin, "Role and Function of Engineering in the French Industrial System," p 30.
41. MONDE DIPLOMATIQUE, November 1978, p 17.

42. INPED [National Productivity and Industrial Development Institute]-ITPEA [expansion unknown]: Seminar on Transfers of Technology. Communications of P. Judet and C. Palloix: "Major Multinational Firms and Transfers of Technologies."
43. Idem, Op. cit., duplicated, p 10.
44. UNCTAD: "Supplying Energy to Developing Countries: Problems of the Transfer and Development of Technology." Study of the Secretariat of UNCTAD. 1978/ID/B/C/6/31 October 1978.

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EDITORIAL COMMENTS ON SAHARAN STRUGGLE

LD131658 Algiers APS in English 1612 GMT 13 Mar 80 LD

[All quotation marks as received]

[Text] Algiers, 13 Mar 80(APS)--"King Hassan II has just said in an interview to a French radio that he will carry on his military adventure in Western Sahara "as long as a Moroccan would like to struggle."

We can discern five points as being the main axes of his policy towards this conflict and its contradictions, the national daily EL-MOUDJAHID writes editorially today in a commentary entitled "Between the Royal Utopia and the Reality of a Battle Field."

"1) Mystification: King Hassan intends to perpetuate his aggression 'until the last Moroccan.' To reach this goal, he renews his call for the 'sacred union', inciting at the same time the Moroccan soldiers to be more fierce, implicitly admitting that they lack combativity. His obstination [as received] is since then no more than a campaign of mystification" EL-MOUDJAHID writes.

"2) Reality of the war is the second point for the national daily. According to King Hassan, this undermining war does not affect the kingdom's finances. Without mentioning all measures he took in view of making the population participate to the effort of war, and all abandoned economic projects, many observers and journalists noticed, through collected datas from good sources, that war in Western Sahara costs the monarchy \$1 million and a half per day."

The third point for EL-MOUDJAHID is the U.S. military aid. For King Hassan "it is symbolical." Everybody knows that the Rabat regime has always relied on the Western world and the USA presenting itself as a "loyal ally" and appointing itself as the "regional gendarme" watching over the Western interests."

"With the Shabah affairs, the national daily goes on and his (the king) complicity in the Cairo-Tel Aviv's rapprochement--sanctioned by the Camp David accords--he expected to be paid in return. Neither Pentagon nor the

Zionist lobby which influence is important within the Carter's administration, have forgotten him. Consequently the U.S. decision to supply Morocco with arms was inevitable.

This aid stands within a wide strategy aimed at internationalizing the Saharan conflict and destabilizing Algeria."

"The fourth point is a supported intransigence. Following the U.S. decision King Hassan remained intransigent, refusing to negotiate with the sole interlocutor, i.e. the POLISARIO Front, recognised the UN as the unique and legitimate representative of the Saharan people," EL-MOUDJAHID writes.

"A challenge to the Organisation of African Unity (OAU)" is the fifth point for EL-MOUDJAHID.

"Renewing his hatred vis-a-vis OAU, he once unscrupulously qualified it as a "tam tam conference," threatening to leave the organisation if the Saharan republic is admitted as an OAU's member."

CSO: 4420

WEEKLY ASSAILS CARTER'S ABOUT-FACE ON SECURITY COUNCIL VOTE

GF081321 Manama AL-ADWA' in Arabic 8 Mar 80 p 1 GF

["AL-ADWA"'s Opinion" column]

[Text] Never before in the history of the United Nations has any member state, however small or subservient to a great power and having declared its stance, revoked its stand in the shameful and disgraceful manner that the United States has during the administration of its current president, Jimmy Carter.

President Carter has sold the prestige of the American nation, the leader of the Western world, and humiliated his great country, making it subject to ridicule throughout the world. The reward is nothing but a handful of Jewish votes among a nation of more than 200 million people.

The remarks of Western politicians concerning President Carter's weakness are very true. President Carter, the peanut salesman, assumed the leadership of the world's greatest, wealthiest and mightiest nation and appeared to be a sincere, religious and honest president who would uphold human principles and defend human rights. He came to the White House following a period during which it was smeared by the Watergate scandal and during which former Secretary of State Kissinger had dominated President Gerald Ford.

However, his weakness was exposed as soon as the peanut salesman settled into the White House and began to carry out his presidential duties. He ran the affairs of the Western world like a rude farmer offering a peanut deal to experienced and shrewd traders well versed in the markets of contemporary politics.

He was exposed by the Camp David accords when he succumbed to the pressures of a terrorist who came to power following the disintegration of the Labor Party and Rabin's resignation after his wife was sentenced for violating Israel's financial laws. Had it not been for President Anwar al-Sadat's eagerness to preserve something of his famous initiative, however insignificant, President Carter would not have been able to

celebrate at the White House the signing of the peace treaty between the largest Arab state and Israel. Nevertheless, the rejection of these accords by the Palestinians and the entire Arab nation have eliminated the insignificant achievement that President al-Sadat tried to preserve.

The United States has lost all credibility during President Carter's administration. Its promises and pledges are not respected by anyone. Even its European allies have deserted the United States and opted for a policy contrary to U.S. interests, whether in the Middle East or other parts of the world, including Europe itself.

Carter's threats--whether to a developing country like Iran that was able to assert itself, or to the Soviet Union which, despite its flagrant aggression in Afghanistan, has disregarded these threats--are futile. This is because the occupant of the Oval Office is nothing but a paper tiger who does not frighten anyone.

What a great difference between the United States in the past and the United States today. What a great difference between President Carter and President John Kennedy, who compelled the Soviet Union to agree to the searching of its ships, and to dismantle its missiles in Cuba and return them to Moscow.

Is there anyone left in the Arab or Islamic world who trusts the United States, now that it has agreed to allow Israel to establish settlements in the Arab territories and to the seizure of Jerusalem?

CSO: 4802

WAR PRODUCTION WORKERS PROTEST LABOR LAW AMENDMENT

Cairo AL-'UMMAL in Arabic 14 Jan 80 p 1

/Article: "/Words Missing/ to the Minister of Justice"/

/Text/ The General Union of Civilian War Production Employees has prepared a memorandum on the draft law presented by the minister of justice abrogating the last paragraph of Article 66 of Law 60 for the Year 1971. Text of the memorandum, which the general union has distributed to members of the People's Assembly and the Democratic Party, is:

The last paragraph of Article 66 of Law 32 for the Year 1962 gave natural persons and legal persons (trade union committees, general unions and so forth) the right to initiate arbitration proceedings within the Ministry of Justice by issuing the General Organizations and Public Sector Companies Law, in accordance with the system stipulated in this law.

When a decree of the President of the Arab Republic of Egypt issued Law 60 for the Year 1971, the final paragraph of Article 60 of this law affirmed the same right for these persons.

In accordance with this legal stipulation, which was issued in 1966 /sic/ and which was not abrogated by the stipulation of the law issued in 1971, the general unions and trade union committees initiated numerous arbitration proceedings in the office of the Ministry of Justice.

The situation remained in this manner, and the office in this judiciary organ accepted this right, until the general union was surprised to see that the minister of justice had issued a decree suspending these arbitration proceedings in the case of legal and real persons without offering an acceptable justification for this decree.

When the general union learned of this decree, which is in violation of the law and in violation of the constitution because it is to be considered an interference by the judiciary power, it gave the minister of justice an

official notification warning him to suspend this decree and review implementation of the law, giving him a grace period to rectify the situation. However, the minister remained silent and did not move, and as a result he was sent a letter stipulating that he make an urgent appointment to explain the dimensions and effects of the decree he had issued. He did not respond to that either.

The general union was surprised by the item of news published in issue 950 of the newspaper AL-JUMHURIYAH of 2 January 1980 stating that the minister had presented a draft of the law abrogating the final paragraph of Law 60/71 and abrogating the arbitration procedures referred to in this paragraph. Since this conduct on the part of the minister of justice has been in violation of the law and the constitution and offensive to logic and to the common wisdom concerning alleviation of the burden on employees by discussing issues related to them in a timely manner, and for the following reasons:

First, the decree issued by the minister relinquishes a benefit which has been won by trade union committees and general unions and by other people in consideration of the fact that they are representatives of public sector company employees;

Second, the suspension of arbitration proceedings presented to the Ministry of Justice office at specific times will lead to the loss of the right to initiate these proceedings, and this will be detrimental to the legal status and condition of the employees;

Third, the causes on which the minister of justice's decree was based are unacceptable and unconvincing and the decree is to be considered an interference in the judiciary power;

Fourth, this situation was in effect in the light of the former and subsequent law; more than one minister has assumed charge of the Ministry of Justice since 1966 but none of them has issued a decree of this sort;

Fifth, the general union has taken the sound legal measures which the law provides it and has adopted the legal measures to initiate a contestation aimed at abrogation of the minister of justice's decree;

Sixth, proof that the decree issued by the minister of justice is not proper is the draft bill abrogating the abovementioned paragraph which he has submitted:

Therefore, we appeal to your excellency to take the necessary measures not to issue the draft bill presented by the minister of justice and to preserve the workers' rights to present their arbitration proceedings to the Ministry of Justice office, on grounds that that is a palpable earned

right according to law and that the workers, and no others, have the right to pass judgment on whether to accept or reject the law, that is, to determine whether it is for or against them.

God give his agreement,
/signed/
Chairman of the general union

Mustafa Muhammad Munji

11887

CSO: 4802

NATURE OF LABOR EXPORT SURVEYED

Cairo AL-'UMMAL in Arabic 14 Jan 80 p 5

/Article: "The Export of Egyptian Labor abroad--Has It Succeeded in Resolving the Economic Crisis?"/

/Text/ Have exporting Egyptian labor to foreign markets and encouraging Egyptians to work abroad succeeded in solving the problem of the population increase and in alleviating the economic crisis in our country?

Economic experts in Egypt stress that the export of labor is not a final solution to the population problem, nor to the economic problem. There is more than one way to make use of the increasing population in our country. What is important, first of all, is for us to know how to make use of the human resources we possess, which are increasing year after year!

Statistics stress that the population in Egypt is expected to reach 70 million in 2000 if the population growth rate continues as it is. Recommendations have been set forth to encourage broader groups of Egyptians to work abroad as a major factor for reducing the severity of the population glut and as a way out of the population crisis.

To what extent will this approach help remedy the crisis and how can this policy be applied while its negative effects--represented by a deficit in experts and skilled labor to handle development inside the country--are eliminated?

Dr' Ali al-Silmi, professor in the Faculty of Commerce at Cairo University, says "The population increase does not constitute a direct cause of the economic problem but is a contributing factor leading to an increase in and aggravation of the problem. A drop in the population will not necessarily lead to remedies for the economic crisis--rather, remedies of the crisis must assume the guise of the maximum possible exploitation of available human resources, with all their capabilities. The population problem in Egypt has not been properly studied so far and we must view the problem over the long range--otherwise, the rapid solutions to which we are resorting now to limit the population glut will have an effect on our future

conditions and the experience of some European countries which suffered from a population increase and now have come to suffer from a labor deficit at all levels will be repeated."

The volume of the workforce operating in Egypt totals 10 million while the number providing actual output is no greater than 4 million.

In government agencies, there are 2.7 million people working while the work really only needs just half that.

The same is the case with the public sector, in which 1.5 million people, of which the productive labor does not exceed 60 percent, are working; the rest consist of idle labor tied to positions, obtaining wages but not contributing to production. To cope with this does not mean limiting the population increase so much as using available powers, raising the capability of employees, and working to introduce economic activities which rely essentially on labor. For instance we could duplicate China's and Korea's experience in producing ready-made clothes and realize the benefit these countries have been able to derive from a relative advantage in their cheap labor, and consequently low costs of production, in our country in order to benefit from these idle powers by expanding development projects such as agricultural processing, fish farm and food preservation projects within the governorates.

For example, there is also the clay pot industry, which has started to decline in our country while it has progressed considerably and come to constitute a national characteristic in Tunisia. We must look upon the population increase as a productive force, set out necessary training programs, and look for projects which will realize the maximum return from the employment of this labor. At the same time we must cope with the population increase by scientific methods in the short term by propounding suitable regulations which will consist of delaying the formation of new families by postponing marriage age and requiring that marriages take place through official bodies so there will be no fraudulence in adhering to the specified age. In addition, government support in the form of health, supply, guidance and educational services must be available only up to the third birth in the family, so that this may be a negative incentive to limit increases in the size of the Egyptian family. These will be temporary solutions, until it is feasible for the government to direct its investments to productive projects.

Dr 'Ali al-Silmi says that using Egyptian labor abroad as a means for coping with the population increase represents only a temporary remedy, since there is a saturation limit to foreign markets, competition exists now in the labor field, and all countries have started to develop their own personnel. We must also realize that Egypt does not have a monopoly on labor markets in the Arab countries; other countries such as Korea and Bangladesh have started to compete in exporting labor to these markets.

SURVEY SHOWS GREAT INTEREST IN MEDIA RELIGIOUS PROGRAMS

Cairo AL-'UMMAL in Arabic 21 Jan 80 p 2

/Article by Nadiyah Sultan: "A Radio and Television Study on Religious Programs Confirms that 98 Percent Listen to and 61 Percent Watch Religious Programs"/

/Text/ A study prepared by the Secretariat General of the Radio and Television Federation evaluating radio and television religious programs point out that this type of program attracts the greatest number of listeners and viewers. The study stated that the percentage of people regularly listening to the radio is greater than those watching television.

The study, which was made in accordance with research conducted throughout the republic, also pointed out that the general broadcasting program is the most popular among radio stations, followed by the Holy Koran broadcast then the Voice of the Arabs, and that 98 percent watch television.

The study stated that 89 percent of the sample on which the research was made follow religious programs on radio and television and that the program "Light upon Light" is first among these programs, followed by "Religious Evening" then "The Guidance of Prophethood."

On the radio, the most popular program is "Morning Tale," then "The Opinion of Religion," "Mail of Islam" and then "In the Name of God" followed by "Gates of Heaven."

As far as those presenting religious programs go, the figures the listeners and viewers prefer are, in order, Dr Kamil al-Buhi, Sayyid 'Ali al Sayyid, 'Izzat Harak, Faruq Shushah, Ahmad Farraj, Fu'ad Shakir, Kariman Hamzah and Marzuq Hilal.

Eighty-six percent of the people following religious programs on the two media said that there is coordination in the times at which these programs are presented and that the bulk of them prefer programs of exegesis of the

holy Koran; 63 percent of them prefer to have these programs offered in the colloquial dialect and 24 percent prefer the classical language.

Applause and Static

The observations of the sample concerning the broadcasting of religious occasions from major mosques stressed that static and background noise spoiled these occasions and that it would be necessary to move these occasions from the small mosques /sic/. Seventy-eight percent of the sample studied stated that heading the list of the men of thought who were of benefit to them were Shaykh Mitwalli al-Sha'rawi, then the late Dr 'Abd-al-Halim Mahmud and Dr Ahmad al-Shurabasi. They said that these men present problems in an easy, simplified manner and offer explanations to people in a modern, convincing fashion.

Concerning the holy Koran on radio and television, 99 percent said that they listened to the Koran on both media and that 42 percent preferred to listen to it recited while 22 percent preferred it chanted. The readers prefer Shaykh 'Abd-al-Basit 'Abd-al-Samad, followed by the late Shaykh Mustafa Isma'il then Shaykh Mahmud al-Husri.

In the conclusion of the study, listeners and viewers recommended that religious programs, religious symposia and serials and films be increased, that explanations of stories in the Koran be offered, that television transmission be strengthened and that attention be given to interpreting the Koran in an academic manner.

11357

CSO: 4802

FISH RESOURCE CONFERENCE CALLS FOR REFORMS

Cairo AL-'UMMAL in Arabic 21 Jan 80 p 3

/Article: "Conference Recommendations: A Single Fish Resource Agency; An End to the Drying out of Northern Lakes"/

/Text/ The conference recommended that a single agency be established which will combine all planning, research, and implementation activities involved in the field of water resources and possessing the exclusive authority to adopt decisions on anything bearing on water resource affairs, and that water police be transferred to the water resource sector, as is the case with utility and other police on the central level.

In the lake maintenance field, the conference recommended that the drying-out of all northern lake surfaces be stopped; that fishing in these lakes be suspended for a specific period which specific agencies would determine, in accordance with the circumstances of each lake, in a manner enabling small fish to grow and reproduce; that closed lakes be provided with their fish egg requirements; that the disposal of factory wastes or sanitary drainage before treatment be prohibited; that penalties be imposed on these violations; that illegal fishing and harmful activities be prohibited in these lakes; that inner channels and outlets, and watercourses inside lakes, be cleaned out; that all obstructions created in the lakes be reviewed as a result of the projects recommended in their regard; that the entities involved be consulted before construction is started on any obstruction or project which might infringe on fish resources; and that a committee be formed of the Ministry of Agriculture and Irrigation, the office of the undersecretary for water resources, and the Institute of Oceanography to re-plan irrigation and drainage and the water level in Lake Maryut.

In the field of fish resource cooperatives, the conference counselled that the new agricultural cooperative law be quickly issued in order to ensure the general principles of cooperation and the conception of cooperation in each sector in the executive bills, whose principles are consonant with increased capital for the fishermen's cooperative society support funds. This law will keep abreast of increases in the volume of cooperative society loan to meet worldwide price increases and will exempt cooperative

societies from the obligation to deposit the equivalents in hard currency of the costs of the equipment obtained through the free zone in Port Said in banks before the equipment is cleared through customs and will exempt the fishing equipment and material the cooperative societies import.

In the field of support for fish resource companies, the conference counselled that the necessary investments be provided for fish resource companies to promote increases in their productive units; that fish production accessories be provided; that a commodity council be formed under the chairmanship of the agency whose formation is being recommended so that it may take charge of meeting the fishing sector's needs from abroad in the form of tools and equipment; that the parties involved (the Fishing Equipment Company, the Cooperative Federation, and the supervising administrative body) have representation in this council; that implementation of joint fishing projects with foreign countries be expanded; and that a price policy be drawn up in a manner which will guarantee that actual costs are in line with the international prices of the High Seas Fisheries Company.

Concerning the problem of people working in the fishing industry, the conference recommended that insurance coverage be provided for all fishermen in the remaining areas of the republic; that the pension entitlement age be reduced from 60 to 65 /sic/ in view of the severe conditions of the trade; that unemployment insurance be disbursed to people working in fishing in enforced suspension periods protecting production; that membership in the fishermen's union be considered a basic condition for practicing the vocation of fishing; that the owners of /illegible/ now being built be provided with /illegible/ to cover fishermen, along with natural pressure chambers to be supplied for sponge divers; that equipment for discovering sponge beds be used quickly; that this sector be reinforced with modern diving equipment; and that a new labor contract form for spelling out the relationship between boat owners and fishermen be drawn up.

In the area of fish farms, the conference recommended that a precise plan with a specific schedule be set forth for carrying out the fish farm plan and that appropriate land and funds be provided for the farms, especially since economic studies have proved that rates of return are high when these farms are constructed; also that economic and social studies and research be carried out when comparisons are made on the effort of conducting agricultural expansion at the expense of fish production expansion.

In the field of marketing and fish preservation, the conference recommended that the fish marketing system be developed in a manner which will guarantee that fish reach the consumer at the proper time, in the right form, at the lowest marketing cost, in order to reduce the severe demand for meat and increase per capita animal protein consumption; that in addition the Fish Marketing Company's share of local output be increased by providing it with public sector company production; that cooperative societies deliver part of their production to the company; that the resources of the Egyptian Fish

Marketing Company be increased to cope with production increases by constructing reception centers equipped with the coolers needed for storage and preservation and transportation means to keep abreast of the efforts the government is making to increase fish output; that the number of consumer sales and retail shops and exhibits be increased and improved to sell processed fish at prices in reach of the consumer; and that fish preservation processing companies be provided with greater quantities of fish output.

In the field of fish training, education and research, the conference recommended that the sector's requirements for training centers and institutes be studied, that their levels be determined, that lists be made of scientifically capable persons in the fish resource sector, and that the Oceanography Institute be supported with resources.

In the field of area maintenance, the conference requested that conditions in liberated areas within the fishing zones be stabilized, for example, the dispute which has arisen between the Governorates of Port Said and North Sinai concerning the eastern basin of the Port Fu'ad Salt Flat and the dispute which has broken out between bedouins in the Governorate of South Sinai and fishermen in Suez fishing the east coast of the Gulf of Suez.

Support for al-Sadat, Condemnation of Afghanistan Occupation

The Fish Resources Conference sent a telegram of support and fealty to President Anwar al-Sadat condemning the Soviet occupation of Afghanistan. In it, the conference, in the name of millions of agricultural, irrigation, and water and fish resource workers, stressed its support of President al-Sadat's upright policy to attain peace and security and build up the nation and the citizen.

11887

CSO: 4302

FOUR COMMITTEES CONDUCT TALKS ON FISH RESOURCES

Cairo AL-'UMMAL in Arabic 21 Jan 80 p 3

/Article by 'Izzat al-'Arif and 'Ali 'Uthman: "Lively Discussions in Four Committees: Fishing Equipment Is Not Available"/

/Text/ The conference consisted of four working committees. The first, headed by Eng Salah Za'luk, discussed the development and improvement of Fish resources; the second, headed by Eng 'Izzat Sharaf, discussed fish cooperation; the third, headed by Dr Muh, al-Din, discussed economic studies; and the fourth, headed by Mukhtar 'Abd-al-Hamid, head of the General Farm, Irrigation and Water Resource Workers' Union and secretary general of the conference, discussed the problems of people employed in the fishing industry.

These committees carried out their activities in the course of discussing 24 research works which embraced a definition of the fish resource problem and scientific means of solving it.

In the first committee, an objective discussion took place on the definition of what water resources are, and the difference between them and fish resources. Eng Salah Za'luk, head of the committee, provided a definition of water resources, stating that they are more comprehensive than fish resources because they include everything that the water surface areas-- lakes, rivers and seas--contain; he added that the most prominent problems facing fish resource development are:

First, drainage policy which is now being established with respect to a number of lakes; the government is committed to reclaiming 1.5 million feddans, an area which will be drawn from the surface areas of lakes. Although the surface areas of lakes are to be considered among the best land for reclamation, this nonetheless occurs at the expense of fish resources.

Second, the lack of adequate studies on available opportunities regarding fish collection sites--to say nothing of the deficiency in studies bearing on fish biology in terms of breeding and development.

Third, the failure to follow instructions concerning fishing. Violations of laws by fishermen threaten fish resources with depletion.

Fourth, the failure, up to now, to pay attention to the establishment of fish farms which will guarantee that fishing continues and to the establishment of hatcheries on lakes in which spawning fish may seek shelter.

Fifth, the proliferation of bodies supervising water surface areas, and, on many occasions, conflicts among these bodies.

In the second committee, Eng 'Izzat Sharaf, chairman of the committee, stated "The unknown soldiers in the sector of actual production are the fish cooperatives and the fishermen's cooperative societies; these produce 90 percent of the output. The problems this sector is facing are numerous and increasing because fishing equipment is not available in the quantities required or in types which could benefit fishermen. In addition the societies are facing problems with customs, especially after the Customs Department eased giving exemptions for members' fishing equipment."

In the third committee, Dr Muhyi-al-Din, the undersecretary of agriculture for economic affairs and chairman of the committee concerned with examining the economic studies, made a presentation, saying "This committee has discussed the problems of fish production, the design of farms and lakes, fish production revenue, production problems from the standpoint of marketing, the obstacles facing and blocking production, and means for exploiting these natural fish resource sources. For example there are fish canneries which are working at only 25 percent of productive capacity; this brings costs above the normal level as a result of the failure to operate plant capacity completely. We must be concerned to exploit our assets and advanced production equipment so that costs may drop."

In the fourth committee, fishing problems were discussed, including:

The absence of health care for fishermen in general as well as the provision of necessary medical equipment for sponge fishermen, such as pressure chambers for divers, and for fishermen as well, and the lack of availability of production and work equipment.

Fishing problems are conspicuous in Lake al-Bardawil, whose representatives are now present there, following the liberation of al-'Arish, after an absence of 12 years. The most prominent fishing problems in this lake, as Fu'ad 'Abd-al-Rahman Khalil, head of the Fishermen's Trade Union Committee in al-'Arish, expressed it, are:

1. The failure to excavate a channel to supply the lake with water in a way which will allow fish to come in; the lake is always blocked with sand.
2. There is a group of outlaw fishermen who hide in entrances to the channel and fish with explosives, although there is a guard in that area.

3. There is no support for the fishermen in terms of availability of pharmaceuticals, machinery, nets and cooperative societies.

4. There is a proliferation of agencies supervising this lake.

11887

CSO: 4802

PROBLEMS, FUTURE OF NATION'S FISH INDUSTRY SURVEYED

Cairo AL-'UMMAL in Arabic 21 Jan 80 p 3

/Article by 'Izzat al-Hadidi: "Egyptian Experts Openly Discuss the Problems of Fish Resources--Four Kilograms per Person per Year Are Not Enough!"/

/Text/ The Fish Resources Conference was held in Maryut through a trade-union initiative on the part of the General Union of Agricultural Workers and was convened by our colleague Mukhtar 'Abd-al-Hamid, head of the union. Participating in the conference were experts from the Ministry of Agriculture, the Academy of Scientific Research and Technology, and water resource and fishery experts.

This phenomenon offers good hope for the future and at the same time affirms that workers' unions in Egypt have started to enter the stage of general issues, which they are discussing, studying and propounding solutions for.

On the conference's agenda were the issues of self-sufficiency in food and insurance for people working in the water resources sector in the present and future.

What went on at the conference and where did it get?

Over a period of 2 days, fish resource experts in Egypt discussed fish resource problems and presented recommendations to solve them, with abundant figures and statistics. More than one doubt arose: are our water resources sufficient to cover the people's fish requirements? If there are shortcomings from some standpoints, what are the reasons for them and why aren't efforts made to eliminate these shortcomings? Then there was an important question, which is the urgency we felt that large areas of Egyptian lakes should be dried out for conversion to farmland, although efforts and money are now being spent to convert farmland into fish farms.

Figures from the conference state that the average individual in Egypt obtains just 6.3 percent of his protein from animal sources, a low insignificant percentage in comparison with the average optimum rate desired,

which is estimated at about 33 percent. Therefore the responsibility for providing protein food from fish at quantities commensurate with the increasing population lies on the shoulder of the fish resources sector in Egypt.

Japanese experts say that Lake al-Manzalah alone has the capability of meeting half of Egypt's entire requirements for fish if it receives an adequate share of attention, concern and care. If this is the case as far as one of our water resources goes, what would the case be if the other sources were added to it!

The area of the water surface in Egypt totals about 6 million feddans. This area is represented by the northern lakes--al-Bardawil, al-Manzalah, al-Burullus, Idku and Maryut--and other internal lakes. These are extensive areas, totalling 1.75 million feddans. The coastline is about 3,000 kilometers long and the great river extends more than 1,000 kilometers; the surface area of canals and drainage ditches is more than 50,000 feddans. This offers us broad avenues for producing quantities of fish which will not only meet our food requirements but will also make an export surplus attainable if the exploitation and development of these sources are improved. However, the fact is that in spite of all these natural resources, the average individual's share of fish in Egypt does not amount to more than 4 kilograms per year! Meanwhile the worldwide per capita share in this sphere is above 15 kilograms of fish per year.

Those Who Are Planning for 2000

There is another angle to the case from which some researchers are planning for the future look; this is the view that even with the optimum exploitation of all available water resources inside the Republic of Egypt--on its Red Sea and Mediterranean coasts or on existing or potential water surfaces and fish farms, these sources in their entity will not give us more than 200,000 tons of fish or 250,000 tons in the best cast, or 4 kilograms per capita per year, which is the maximum capacity in the near of long-term future, by 2000.

In order for us to raise this low rate to 10 kilograms per person per year, which is also a modest figure, we will need 700,000 tons of fish to meet local consumption in 2000, when the population will total 70 million. This will require the presence of an Egyptian fishing fleet on the high seas which, in addition to our current resources, will give us new fish catch areas in agreement with countries whose waters are rich in fish resources. This is what Greece did through an agreement with Mauritania, and what Britain has done in its agreement with Ireland and others.

Thus there is no way to avoid acknowledging that the fish sector has not played the part requested of it in providing suitable volumes of fish out put at appropriate prices which are within the reach of limited-income classes. This of necessity leads us to look for the causes, which are many and numerous.

The food gap which has arisen in two or three decades as a result of unconscious emphasis on other economic sectors besides agriculture and food production!

Poor organization and management of the fish sector itself. This has been represented by the fact that the sector's higher management begins shifting. Its affiliation and special activities within the sector are assigned to different bodies. The General Egyptian Water Resources Organization was established in 1961 in accordance with the provisions of Republic Decree 1323 for the year 1961 as a public organization subordinate to the Office of the President. Then top management of the sector was transferred in 1964 from the Office of the President to the Ministry of Supply and Commerce, to the armed forces, and to the deputy prime minister for agriculture and irrigation, then in 1965 to the minister of agrarian reform and land reclamation; then it was placed again under the minister of supply and domestic commerce in 1967, then moved to the Ministry of Agriculture, then moved to the Ministry of Supply; then it was moved to the Ministry of Agriculture after dissolution of the public organizations and transfer of the Water Resources Organization to the Office of the Deputy Minister for Water Resource Affairs. Although there was an Office of the Deputy Minister of Agriculture for Water Resource Affairs, the companies subordinate to the General Water Resources Organization were detached from that office and some put under the Ministry of Supply, while others were put under the Ministry of Marine Transport and still others were put under the minister of state for Sudan affairs. In the case of the High Dam Reservoir, the journey ended when it was made subordinate to the Ministry of Housing Development Agency. In the latest ministerial formation, the water resources sector was once again made subordinate to the Ministry of Agriculture.

This led to a proliferation of and conflict among decisions and to psychological instability among employees. Increasing the volume of obstacles were the instability of surveillance, the fragmentation of responsibility, failure to devote adequate time to study and evaluation of the sector's problems and failure to adopt appropriate decisions at the appropriate times.

At a time when various countries of the world were resorting to establishing man-made as well as natural lakes, our lakes were subjected to drainage activities which resulted in the loss of big areas of lake; this had an effect on fish resource output, to say nothing of the increased pressure the drying-out process put on the remaining water surfaces and the resultant problems of people working in the fishing sector as a consequence of their reduced incomes!

The Drainage Story

Vertical expansion of farmland area is desirable; however, this cannot take place at the expense of water surface areas through the drying out of lakes, which are to be considered the most important fish resource areas in our

country. It did not occur to the people who planned the establishment of the Ministry of Land Reclamation that this ministry would relinquish its task of increasing cultivated areas by reclaiming new lands through the draining of lakes--a policy whose failure has been proved and whose destructive influence has been reflected on fish resources and the national economy. This prompted the Supreme Planning Committee to study the problem and it actually issued a decree that drainage operations should stop. What is ludicrous is that the areas which were drained have not been exploited, because their tenants have encountered difficulties in terms of soil, irrigation and drainage, leading them to reflood the lands and convert them to fish farms again after the expenditures made on drying-out operations were lost and fish production was lost with them. It should be pointed out that the process of drying out a feddan of water in a lake and converting it to farmland costs 2,700 pounds and that a feddan of water yields a revenue five times greater than that of a feddan of land, or more. In spite of all that, drainage operations are continuing, stopped by neither logic nor law!

What inspires the most grief in the story of the lake drainage is the fact that the dried-out areas have been appropriated by some influential people, and some people backed by tribal groups; they exploit the state of affairs, erect buildings and installations on the land by force of arms, surround the lands with a wall of terror and use them for purposes of brigandage, piracy and sheltering fugitives from the law!

11887

CSO: 4806

BAKHTIAR CALLS ON WEST TO REJECT KHOMEYNI, BANI-SADR

Cologne RHEINISCHER MERKUR/CHRIST UND WELT in German 15 Feb 80 p 8

[Report on interview with Shapur Bakhtiar by Juergen Liminski: "Plans for the Time Afterwards"]

[Excerpts] Paris, in February--Paris is the capital city of the exiled Persians. "The most beautiful city in the world," my companion maintains euphorically. He goes on to say that one can become lost in the crowd here and still move about freely, plunge into absolute anonymity and still have an effect upon the entire world. France's metropolis is the haven for the by far largest portion of Iranian exiled opposition leaders. One of their leading heads is the last prime minister of the deposed Shah, Shapur Bakhtiar. A year ago, on 11 February 1979, he had to flee abroad from the revolution. For months he remained secluded and then announced his return to Iran for this spring. He assured us too that he wanted to return as soon as possible to his country and to prepare an end "to the revolutionary spook Khomeyni."

Neuilly, in the western part of the city, is a prestigious residential area without many bistros, restaurants, cafes or stores. People with residences here mostly live and work beyond the boundaries of Paris. The second shift of guards at the entrance to the house is reading comics. Next to the machine gun--without its safety latch on--there is a paperback novel. The cover shows soldiers handwrestling, wearing shirts and helmets. Bakhtiar says that he feels relatively secure. But it is more important for him to fulfill his duty and free the 36 million hostages now under the Ayatollah's sway. He calls the U.S. Embassy takeover, which is "at least tolerated" by Khomeyni, "barbaric." "I am not as impotent as Khomeyni believes. The ever stronger echo to my speeches indicates that my popularity is also growing and probably already exceeds that of Khomeyni. Soon I will challenge Khomeyni, and indeed it will be wherever I want."

He naturally could not supply me with a list of names of his relationships with influential military commanders. But he does know that without physical, that is, military force, the liberation of his country cannot be achieved. But dissatisfaction within the army is very high.

Other exiled politicians are also counting on the dissatisfaction in the "demoralized army" as they all call the Iranian forces. An integrating figure is lacking. For a long time hopes were placed in Admiral Madani. His willingness to collaborate with the Revolutionary Council, however, only aroused mistrust among the opposition leaders located abroad. His name is on the "death list" of the secretly edited military magazine "ARAR."

Bakhtiar's apartment is small, furnished soberly and functionally. The walls of the large living room are bare. Only a large map of Iran decorates the room. Bakhtiar is a patriot. "We will have to liberate our country by ourselves. We do not need we do not want any outside assistance. I demand neither money nor weapons nor ammunition from the West." By now the normally soft-spoken politician is seized by righteous indignation: "The Western statesmen should finally give up the illusion of being able to make politics with Khomeyni. They should finally stop supporting a dictator who has led the country into political chaos and economic ruin. They should finally comprehend which side is reasonable and objective and which side displays narrow-mindedness and incompetence. The economy is destroyed, the factories are not producing, unemployment and food shortages are afflicting the people. All this favors those who want to force the country into Bolshevik rule."

The exiled Iranians anxiously report that the Tudeh Party, together with the revolutionary guards of Khomeyni, have been trying for weeks to disarm all the anti-Soviet militants in Tehran. This is one of the main reasons for the conflicts and battles in Kurdistan, on the Caspian Sea and in Belutchistan. Even Bani Sadr is doing nothing against this. The new president of Iran is only a puppet of Khomeyni despite all the verbal battles.

The leftist liberals want to support Bani Sadr. He is the elected president of all Iranians. Even though franchisement was de facto only limited to Tehran--elected is elected.

The most unambiguous comments on Bani Sadr and his election can be obtained in Neuilly: "Bani Sadr has neither a program nor a concept. He is not a politician who develops his own ideas. His election is unique in the history of the constitution and is absurd. For either he is elected by the people and receives his legitimacy from the will of the people or he is nominated by the religious father figure, the "Velayate Fagih," and receives his legitimacy from there. The two of them together do not exist. Khomeyni can remove the president at any time according to the constitution, thereby disregarding the will of the people. But then he should appoint him right away. What is the purpose of all this election comedy?"

Bakhtiar is not only an opponent of the theocratic dictatorship of the old man from Qom. He has formulated his political thoughts on reconstructing Iran in a manifesto. The pamphlet is already circulating in Tehran, as are six cassettes and other pamphlets. Bakhtiar's program is based on three pillars: patriotism, freedom, and social equality. Bakhtiar is a social democrat.

BRIEFS

LOAN AGREEMENT WITH MOZAMBIQUE--Dr 'Abd-al-Amir 'Ali, president of the Iraqi Foreign Development Fund, has stated that during the next weeks Iraq will sign 10 agreements covering long-term loans to several friendly developing countries. This statement was made during the signing ceremony of the second agreement the fund signed with Mozambique today. The first agreement was concluded with Bangladesh late last month. The agreement was signed for Iraq by Dr 'Abd-al-Amir 'Ali, and for Mozambique by (Jovier), Mozambique's Central Bank governor. The agreement covers a \$10.7 million long-term loan to Mozambique to be repaid in 20 years with no interest. The loan equals the price increases which affected Mozambique's oil exports during the second half of last year. [Text]
[JN061950 Baghdad Domestic Service in Arabic 1900 GMT 6 Mar 80 JN]

CSO: 4802

PAPER HITS U.S. 'RETRACTION,' PRAISES FRENCH POSTURE

LD101017 Kuwait AL-RA'Y AL-'AMM in Arabic 6 Mar 80 pp 1, 19 LD

[Editorial: "Serious Repercussions and Devastating Consequences"]

[Excerpts] Carter's recent statement is an open letter not only to the Arabs but also to all the peoples of the world. His going back on the resolution calling for the dismantling of the Israeli settlements in the occupied Arab territories is a political scandal more serious than Watergate in its dimensions and purports.

Carter's message to the Arabs means that everything is in American hands and that America is the enemy which must be fought, because their problem lies with Washington sooner than Tel Aviv. The message also presents the world with a serious precedent unparalleled in the history of diplomacy. Because the retraction of the decision took place at an international organization, it will have terrifying repercussions and devastating consequences with regard to the future of relations among states, particularly the states which believe that the United States is on their side and supports them.

America's prestige has been smeared in mud and its dignity has lost the glitter which used to shine on the world and once even reached the moon. President Carter is a strange phenomenon in America's history: trader blood still flows in his veins, and all that he is interested in is making gains, even at the expense of his personal dignity.

A hypocritical tradesman and a skilled opportunist is the present White House chief.

All the states of the world are perplexed by him, but they are aware that the objective behind "Jimmy's" statement, which has shocked all diplomatic circles, is only to gain Israel's satisfaction in the hope of controlling its electoral machine inside the United States, because returning to the White House is the notion that has been dominating Carter's thinking, and all his actions are restricted to paving the way for that return even at the cost of destroying the world.

Even in his retraction statement he was naive when he rescinded America's decision. Who believes that America's support for the dismantling of the settlements was the result of a mistake? Such a suggestion cannot deceive even simpletons, and no sane person can believe it. The United States remains the land of mysteries, and its president has now emphasized this. He has been following this course since he came to power, especially in dealing with the Middle East crisis, particularly the Palestinian issue; why else did he smudge the ink on the joint statement with the Soviet Union and disavow the idea of the "Palestinian homeland"?

Carter has succeeded in one thing only. He has been a living example of the American and of American reality. A country whose civilization is based on Texan cowboy principles cannot possibly commit itself to human values or adhere to ethics.

To date the Arabs, or some of them at least, have not believed that America is as much the serpent's head and their enemy as Israel and even more hostile than the extreme Zionists.

The United States has put itself in a tight corner from which, as far as the Arabs are concerned, it will be difficult to escape except through an open confrontation which will save Arab face, which Carter is slapping daily. The Arabs have a good chance today. Europe has begun taking a course independent of the United States with regard to the Palestinian issue. Europe can be a substitute for America with all its interests and influences. Therefore, we must respond to the European initiatives, particularly Giscard's courageous initiative, with initiatives that will emphasize to the United States that it is no longer the only horse in the field.

CSO: 4802

JUNBLATT, HEAD OF PSP, INTERVIEWED

Beirut MONDAY MORNING in English 15 Feb 80 pp 26-30

[Interview with Walid Junblatt, head of Progressive Socialist Party (PSP), by Mona es-Said, date and place not given]

[Text]

Walid Junblatt, leader of the Progressive Socialist Party (PSP), has called on President Elias Sarkis to define his conception of the future of Lebanon.

In an interview with *Monday Morning* last week, Junblatt said: "The government, the President of the Republic, should finally lay down certain basic principles. We have to see how the State sees the future of Lebanon."

Junblatt, who has presented a comprehensive national accord program on behalf of the leftist National Movement alliance, made the statement as the President and the Prime Minister Selim Hoss were preparing for a week of consultations on national accord with Lebanese leaders. Their preparations were being made to the accompaniment of a rejection chorus from the right, with the Lebanese Front alliance charging that this national accord effort was being imposed by the Syrians and was therefore unacceptable.

In this interview, Junblatt concedes that political accord has been made urgent by Syria's decision to pull its troops out of Beirut — a decision which, if implemented, will increase the chances of a resumption of leftist-rightist and Lebanese-Palestinian hostilities.

But "it's not Syrian pressure," he says. "The Syrians have their own reasons for withdrawing... Until now, it's been a cold war between them and Israel, but it could become a hot war."

He adds: "The process of political entente should be accelerated to safeguard what's left of Lebanon."

The full interview, which was conducted in English, follows:

In 1958, national accord was imposed by President Fuad Chehab through a quadripartite cabinet which included Pierre Gemayel, Raymond Edde, Rashid

Karami and the late Hussein Oueini. How about a "happy end" for national accord in 1980 — i.e. the same cabinet, but with you instead of Oueini?

With four people only, it wouldn't work nowadays. The circumstances, the situation, everything — is different. With national accord it's not just a question of who is going to replace who, it's a question of having a definite, clear cut policy from the government — and this is what we are struggling for. The government, the President of the Republic, should finally lay down certain basic principles. We have to see how the state sees the future of Lebanon.

Don't you think such a cabinet would facilitate national accord?

The cabinet could come at a later stage, not now.

You are still insisting that the government should take some basic steps?

Of course, this is what we have been asking for for a long time, for three or four years — and what we are again asking for now.

What if current efforts at drawing up a national reconciliation charter fail?

Well, I'm afraid that we would stay in this state of immobility and maybe there would be some deterioration. Already the situation has deteriorated in some parts of Lebanon, in the South and maybe Beirut, and it could be very dangerous, because if nobody can control the deterioration the situation will be very serious and full of damage for the citizens of Lebanon.

Do you think that the current efforts in fact will not lead towards national accord?

These efforts are one-sided, from the National Movement only. Until now there hasn't been any positive reply from the Lebanese Front. On the contrary the Lebanese Front are again calling for "liberation." Beshir Gemayel, Chamoun and even Mr. Amin Gemayel, the "moderate" is asking for liberation of Lebanese soil — from the Syrians, Palestinians and everybody.

But there are indications that Mr. Amin Gemayel is ready for a dialogue.

Well, yes, he is ready, but his brother is not ready. And it seems that his brother is much more powerful than Mr. Amin Gemayel.

Why this sudden rush to entente after three years of cold war \ between you and the Lebanese Front?

Well, it's because we think that the only solution for Lebanon, for the Lebanese people, is to have a political solution. One day we'll have to settle our problems. It's best to settle our problems using political means instead of military.

And we think that if we are going back again to war, then this time the National Movement won't have freedom of action in the military field. It is going to be a little bit pressured by its allies, the Syrians and Palestinians. Of course, we do understand the interests of Syria. We are for safeguarding these Syrian interests in Lebanon, and in Syria itself. We also understand very well the interests of the Palestinian people, the Palestine Liberation Organization, but we also have to face realities. The Lebanese have to take care of their own interests. It is time to think about Lebanon, and thinking about Lebanon does not mean at all being against the Palestinians or the Syrians.

It is true that you have always called for national accord, but it is clear that now there is a rush for it. Why? Is it Syrian pressure?

Well, it came after the Syrian announcement of withdrawal. We think that the sudden withdrawal could have disastrous effects if there is no political entente beforehand.

So to you, it isn't Syrian pressure?

No it's not Syrian pressure. The Syrians have their own reasons for withdrawing... Until now it's been a cold war between them and Israel, but it could become a hot war. The process of political entente should be accelerated to safeguard what's left of Lebanon.

Do you envisage a situation in Lebanon whereby a Soviet-backed Syrian-Palestinian-Lebanese National Movement alliance would fight an American-supported alliance of the Lebanese Front and Israel?

That's going too far. I don't think that theory is tenable. The Soviet Union announced many times that it is for the independence and sovereignty of Lebanon. It is for respecting the rights of the Palestinians. That's definitely logical from the Soviet point of view. Of course the Soviet Union is supporting Syria, because until now, Syria is leading the struggle against the policy of the Americans regarding Sadat.

In other words, you don't envisage such a situation?

No, I don't think so. It is going too far.

What are the chances for partition at this stage?

There's already partition. There is a small Christian state. In the middle there is

the state of the President, Mr. Sarkis, and here (in West Beirut) there is something vague, something very vague which nobody can define (but) there's the authority, the legal authority...

A legal authority...?

Of course there's a legal authority because up to now we have recognized the legal authority of the state through its various means.

Do you mean that on the other side there's no legal authority?

There? No. They are imposing their own taxes. All the facilities, everything there is controlled by the Lebanese Front and now they are trying to impose a tax on real estate. So I don't think that the state there is as effective as it is here. Here it is much more effective, theoretically speaking. And you have also, of course, the Palestinians, their facilities, which is normal.

You would say there is partition because

there are militias on the other side? What about the leftist ones here?

We are not controlling. Our militias have the purpose of defending our physical presence. If we think that one day the situation is normal and that our physical presence is no longer threatened, our militias can be dissolved. We can, and we are, willing to go back to normal life.

Are you really willing to dissolve your militia?

Personally speaking, yes. But I need guarantees, and so far nobody has given me any guarantees. That's all. This is the only reason.

We think that the declarations of the Lebanese Front are obvious. They want to liberate Lebanon, first from the Syrians, then from the Palestinians. Then whom will they liberate? — Everybody!

You said there was already partition, but do you expect to see it become more obvious?

Everything is possible if things continue like this.

You see it taking place?

I hope not, but just look at the facts.

How "national" is the National Movement — particularly in the light of the recent statement (on Saturday) of the Higher Shiite Council which equates the positions of the National Movement with that of the Lebanese Front, and raps them both.

The Shiites might have their own reasons, but I think that up to now it has been national. Why do you say "how national?" It is not a question of what the others are saying. It is a question of proving whether the National Movement is Lebanese or not. It is a question of experience on the ground. Until now, I think we have been able to prove it. We cannot evaluate ourselves, it is for others to evaluate us. Let experience prove to other people which group is more national than the other. If the Shiites have something against us for the time being, well, I think that is due to

certain small problems, minor problems in the South.

Would you support a Syrian-Lebanese pact. Why?

This is what we are saying. This is what we are struggling for. Because I think there is a direct link and interest between Lebanon and Syria and Lebanon must not be used — at any price — by Israel or maybe the Americans as a center, a focus, for destabilization. I think it is in the interest of the Lebanese government and the Syrian government to achieve this agreement. The relations should be defined. There should not be a vague relationship.

Wouldn't a Syrian pullout from Beirut, including the confrontation lines, expose the Palestinian presence here, as well as the positions of the National Movement?

Yes. So what? It would expose them. But it is not in the interests of the Lebanese Front, the Palestinians or the National Movement to fight again, because nobody is going to win. Only a political solution and an understanding between Lebanese can achieve, can lead to, a compromise and help everybody emerge out of this state of immobility and can help the Palestinians. The Palestinians won't gain anything if they fight again in the souks or somewhere in the mountains.

In case of a Syrian pullout, do you believe that the National Movement and other forces should be the ones to replace them?

It's a vicious circle. That is why we are insisting upon a political solution, so as not to be obliged to fight again.

If a political solution is not found, and if the National Movement takes over security here, do you expect fighting?

Let's hope that we can control fighting and let's hope that we would be able to have just a limited conflict, as is now going on in the souks or somewhere in the mountains — let's hope. But it is a question of

having general understanding or a gentleman's agreement between all parties, including the Lebanese Front.

But now they are rejecting?

Now they are rejecting.

Do you think there will be a withdrawal or a regrouping of Syrian forces?

They said they are regrouping their forces because of Israeli threats. Regrouping their forces in Beirut means a withdrawal. But that also implies tremendous consequences.

Hasn't the Syrian decision to pull out of Beirut kind of thrown the Lebanese ball back into the Syrian field, after it had strayed into the hands of the Arab Follow-Up Committee following the Tunis summit?

Nobody said before that we could solve our problems without Syrian consent or collaboration. There are maybe some foolish people in Lebanon who think they can solve their problems without Syria. Personally I feel, and the National Movement also, that Syria should be included in any political solution and that it is in the interests of Syria to have a political solution in Lebanon. As for the Follow-Up Committee that was formed after the Tunis conference, well, the committee cannot, in practical terms, adopt an anti-Syrian policy. It should coordinate with Syria and Syria is included in the committee.

Is there any chance of the National Movement accepting the deployment of the Lebanese Army in West Beirut?

For the time being it's too early to speak about the Lebanese Army in West Beirut.

Why?

Because there is no need to have a Lebanese Army force in West Beirut. There are some parts of Beirut that are very, very important and very, very dangerous.

Along the confrontation lines?

Along the lines, the hot lines. But before

deploying the Army, we in the National Movement believe it is better to have a political solution.

But this would not be enough, especially if there is no political solution.

If there's no political solution, then there will be fighting again and there will be a danger for everybody, even if the Army goes in.

Why have you always rejected the deployment of the Army?

I haven't. From the first I have been one of those who accepted deployment of the Army to the South.

I mean in West Beirut. You have always rejected its deployment there.

There is no need in West Beirut. There are security forces, the Internal Security Forces, that can be helped to do their job.

But in your press conference 10 days ago you said that the Internal Security Forces are not strong enough to control affairs and should be strengthened.

They should be strengthened. There is no problem at all. And if, later, there is a political solution, then there is a political understanding, there is a compromise. I would not object if, in certain crucial situations, the Army should be used — no problem.

Do you agree that the Army should be deployed along the confrontation lines?

Before we use the Army, let's make sure that we do not use it like it was used before. Let's not speak about the Army in the way people used to speak about it, since that would lead again to its division. Let us help, let us try to find a political solution, so we can have a solid, cohesive army for Lebanon.

Amin Gemayel says that both you and he have been disillusioned by foreign intervention in Lebanon. Is that correct? How can he know about my feelings?

He's stating his own position. I said in Paris, although what I said was a little bit misinterpreted, that it is now time for the Lebanese to arrange a compromise, because that would be best for the future of Lebanon.

I don't think that the alliance of the Maronites with Israel, of all sorts of parties with Israel, is going to help the interests of the Maronite community, of the Christian community. And I said at the time that it was time to work out a clear-cut relationship with Syria, for everybody, for the interests of Lebanon and Syria. But I don't know from where you got such information about Amin Gemayel.

That's what he said, that you were both disillusioned by foreign intervention in Lebanon. Are you now saying it isn't true? Well, then, can you say whether the Syrian or the Palestinian presence in Lebanon is "foreign."

He is speaking on his own behalf. I don't think I have said such things. For the moment, I can't remember saying such things. It is his opinion. It is not my opinion at all. The Palestinians have been in Lebanon since 1948 — so how can they be foreign. They are people that have been evacuated from their lands by force or by other means. We took those Palestinians in care. We cannot consider Palestinians as being foreigners. Not at all. They are part of the political, as well as the economic and social life of the Lebanese. We should help the Palestinians. If we really are thinking about the interest of Lebanon we should help them in their just cause. It is very strange about Mr. Amin Gemayel. It seems that he forgets history because after all there were times when for him, for the Phalangist Party, the Syrians were not foreign. So it's very strange that there is some lapse of memory.

To you, national accord should involve whom?

All the interested parties.

Who?

It is a question of representation. Everybody should be listened to in the traditional fashion. Everyone should present suggestions. But I do think there are main parties which should be included — or main movements.

Will you suggest names?

Here, it's the National Movement. That's enough.

Are you ready to meet with Amin Gemayel?

It's not a question of meeting. I said this a long time ago. It's not a question of meeting people. It's a question of defining a policy for the future of Lebanon. That's all. It is not a question of a meeting between people. It is not a personal conflict. If it had been a personal conflict, we could have solved it a long time ago.

CSO: 4820

MAURITANIA

MOROCCAN PROTECTION REPLACED BY ALGERO-LIBYAN PROTECTION

Dakar AFRICA in French Feb 80 pp 31-33

[Article by Attilio Gaudio: "Who Governs in Mauritania?"]

[Text] Since 4 January 1980 nearly all power in Mauritania has been in the hands of an individual of Saharan origin--Lt Col Mohamed Khouna Ould Haïdalla--who belongs to a Reguibat tribe and whose parents used to be nomads in the Bir Enzaran region in the former Rio de Oro which was transferred to Moroccan administration.

The POLISARIO Front in Nouakchott

The POLISARIO Front need no longer worry. It is established in Nouakchott without striking a blow since the CMSN [Military Committee of National Safety], the supreme organ of the Islamic Republic of Mauritania, is now chaired by one of its own men.

The shift to the left is no longer to be demonstrated: The CMSN and the government (etc.) and the government experienced such purges that of the 18 officers who had participated in the toppling of Moktar Ould Daddah on 10 July 1978 only six still hold political or military positions. In the final 9 months of 1979, let us not forget, Mauritania had three different presidents and two prime ministers and all this still because of the Saharan problem. If 3 and 1/2 years of war have decimated the Mauritanian troops at the front, 18 months of cease-fire have nearly decapitated the army general staff and the institutions of the state.

Return to the Algerian Orbit

[Words missing in source] sympathetic to the Moroccan cause and consecrated Mauritania's return to the Algerian orbit. In addition, this time Nouakchott has moved closer to Libya whose hegemonic ambitions south of the Sahara are known to everyone. In this context of the abrupt rupture of alliances and options one must note a dismissal to which the press has not given sufficient importance--that of the minister of foreign affairs, Ahmedou Ould Abdallah. A subtle diplomat and man of culture, not compromised with the ancient

regime and who had highly deserved on account of his diplomatic initiatives and successes his appointment as ambassador to the European Economic Community in Brussels. Ould Abdallah was a "civilian" at heart, tolerant and democratic. Even though he did not have a special leaning to the Moroccan side, he was deemed too embarrassing and too highly esteemed internationally to become a fairly docile instrument in the hands of the new government. For his error was not to be pro-Moroccan but simply pro-Western and to have wanted to lead a neutral and independent foreign policy, even with relation to Algeria and the POLISARIO Front.

With him many other pro-Moroccans and pro-Westerners were removed from office: Colonel Boyde, former head of the gendarmerie; Maj Thaim El Hadj, former minister of interior; and especially Lt Col Ahmed Salem Ould Sidi, vice chairman of the CMSN, great friend of Lt Col Mohamed Mahmoud Ould Louly, the dismissed Mauritanian president, and of Col Ahmed Ould Bousseif, who died accidentally on 27 May 1979 and was a friend of Morocco. The two new ministers of foreign affairs and interior, Moktar Ould Zamel and Ould Boukhreiss, are entirely partisan to the other camp. In short, as a senior official in Rabat observed ironically, Mauritania has replaced independence under the protection of Morocco with "POLISARIO-ization" under Algerian-Libyan protection.

As regards the person of Lt Col Ould Haidalla he is considered in Nouakchott to be a "progressive" and a serious and honest individual. He is thought to have a sincere desire to rehabilitate the Mauritanian economy and to moralize political and social mores. To struggle against waste and the misappropriation of public funds in the public administration he has already approved an ordinance providing for the early or automatic retirement of military personnel and officials whose "behavior has proved incompatible with the policy of national recovery."

Priority to Economic Matters

Officially Mauritanian foreign policy should not be different from that pursued by former Minister Ahmedou Ould Abdallah. Indeed, the CMSN confirmed that "Mauritania has an eminent role to play in the Arab world and Africa considering its character as an Arab-African country." Relieved of the military burden imposed by the Saharan war (the forces in the army will be cut by 10,000 men), the new regime wishes to give priority to trade and economic cooperation among states and notably to develop Arab-African cooperation and strive for the "unification of the Arab nation." This dream cannot help being attractive to Col Mu'ammarr Qadhdhafi and encourage him to be generous in his already substantial aid to Mauritania.

Algerian assistance is also important, even vital during this "lean period. Algeria is reportedly prepared to send its crude oil to the Nouadhibou refinery which has never been in operation so far. Built under Moktar Ould Daddah with an investment of U.S. \$66 million, this refinery has a processing capacity of 1 million tons a year. But the Algerian wells at Hassi Messaoud are far away and the transportation of crude oil could increase refining

expenses to such a point as to make it completely uncompetitive on the international market. In truth, when this refinery was planned, former President Ould Daddah nurtured the hope of discovering oil in Mauritania itself and some foreign companies allowed him to believe this. At present the French ELF-Aquitaine [Gasoline and Lubricants Company of France] group is authorized to resume intensive oil explorations in the eastern part of the country and offshore from Nouakchott.

Peace with the POLISARIO Front will also make possible the resumption of uranium exploration in northern Mauritania, notably between Bir Morghrein and Ain Ben Tili where AGIP [Italian Petroleum Enterprise] and Total had found very encouraging traces. Prospecting would reportedly be done now by a group made up of COGEMA [General Nuclear Materials Company], Ugine-Kuhlmann, and a Japanese firm. However, the project that seems to have most promise in the immediate future for the Mauritanian economy continues to be that of the exploitation of ferrous surface hillocks called "guelbs" and of two new iron ore deposits located near Zouerate whose reserves total 386 million tons. The aggregate amount of the exploitation project comes to some U.S. \$500 million, and the World Bank has already granted a loan of \$60 million for 15 years bearing 7.9 percent interest a year. Among the Arab countries which rushed to assist a financially worn-out Mauritania one should single out Iraq, which granted it a long-term \$20-million loan in addition to \$5 million slated for the construction of a television station in Nouakchott and \$3 million to fight the drought. An agreement for the establishment of a Mauritanian-Iraqi fishing company was also signed, and the Iraqi Development Fund agreed to finance various social projects such as the construction of schools and hospitals and an industrial complex.

2662

CSO: 4400

MAURITANIA

SNIM CHIEF DISCUSSES SNIM'S PRODUCTION, GUELBS PROJECT

Nouakchott CHAAB in French 26-27 Jan 80 pp 3,8

[Interview with Ely O. Allaf, director general of SNIM-SEM--date and place not given]

[Text] The year 1979 has been an especially hard year for SNIM as the war and financial difficulties have led to deterioration of capital equipment and to lack of confidence on the part of suppliers.

But due to the rapid closing of negotiations on increasing capital, to the efforts put forth by the partners, to the assiduity and technical expertise of its personnel, the company has been able to climb back rapidly.

As of 31 December 1979, its production had gone beyond the limit set, and the year 1980 promises even better.

All this has been achieved, obviously, by the establishment of favorable political conditions, in particular, peace in the region.

This is what has come out of the important interview that the administrator, Director General of SNIM-SEM, Mr Ely O. Allaf, recently granted our colleagues at Radio-Mauritania.

[Question] It is being said that the year 1979 has been a year of labor for the SNIM but they have been able to overcome these difficulties anyway. Mr Director, how does 1980 look?

[Answer] In any case, 1980 is beginning much better than 1979 did.

As I have had occasion to bring up on several occasions, at the beginning of 1979 we were living through a situation that was extremely difficult from all points of view, for the phenomenon of war complicated by financial difficulties, had led to a deterioration of capital equipment and to a lack of confidence in us on the part of our suppliers who were beginning to doubt our ability to respond to the obligations of the 1979 program.

Due to the rapid closing of negotiations for expansion of capital and to the efforts put forth by our partners, we were able to benefit from a substantial financial contribution during the first half of 1979 and during the third quarter to overcome our technical difficulties and to harmonize our relationship with our suppliers. Thus we can say today that those supplies necessary to the functioning of our company are flowing in at a normal rate. This does not mean to say that everything is back to normal, just that we were able to get back on the track with a relatively short delay.

Currently we can say that we have climbed back up as regards materials for maintenance as well as materials for the railroad and for the mine; we hope to continue in this way until normal technical operations are attained during the first half of 1980.

[Question] The whole year 1979 was a year of preparation for you, during which, as observers, we covered the activities of the mine itself, production going to the profit of the Guelbs Project, which has been one of your pre-occupations during the past year. How does this production stand now? (Referring to Rouessa, Tazadit, F'Derick).

[Answer] It must be kept in mind that the program we were assigned in 1979 forecast an export figure of 8,500,000 tons. Doubtless the fears I expressed then raised doubts about the achievement of this program. But due to the efforts I was able to bring to it, and to the assiduity and technical expertise of our personnel, we were able to push this program to 9,300,000 tons, that is almost a million tons extra exported this year due to all these praiseworthy efforts and to the drive to rescue the situation.

All this was obviously favored by the establishment of favorable political conditions, particularly peace in the region. This production activity, which is of top priority, doesn't have this standing with the press for a very simple reason: the action in favor of the Guelbs Project was more spectacular in that it was the object of agreements signed with external organizations and involved many trips to Mauritania or to other countries, occasioning much comment about the domestic efforts which were of course real and continual.

[Question] We are now entering into the operational phase of the Guelbs Project, but it is important to know if the experiences of the years 1979 and 1980 indicate promise?

[Answer] We think that during the course of 1980 the Company will be able to fulfill the production goal set. You know this shouldn't be too ambitious in the sense that a decrease in production between Guelbs Project and Kedia must be avoided. For this reason, it will not produce what it wants to produce, it will produce what is reasonable to avoid diminishing reserves more than planned. Consequently it will achieve the 10 million tons set by the Administrative Council on a base of existing financial and technical considerations.

[Question] You have indicated that the production of the older works should not go beyond 10 million tons. But there is another possibility which could possibly be damaging, that is a delay in the Guelbs Project. Do you think this hypothesis is to be discounted?

[Answer] In effect, the major fear of everyone is that there might be a delay in the Guelbs Project which would cause a decrease in production. As things are now, we think there will be no delays.

The efforts which have been put into concluding the financial agreements, the fact that the most important research has already been completed, these constitute the important elements which led us to propose to the Administrative Council, who accepted, to begin execution of the Guelbs Project. We consider that the execution date of the Guelbs Project is 1 December 1979 and thus that is now one month in operation. Evidently, this is not being felt locally in the sense that the first contracts have been for equipment contracts in Europe and which will require a year or two. The first on-site operations, housing construction, general earthworks, roads, extending railway lines, have already been authorized and their contracts with the selected subcontractors will be signed from one moment to another, that is, within the coming months.

[Question] Thus, the Guelbs Project, as forecast, can be considered to be under construction?

[Answer] Exactly! We consider that with all its complexity it is already in construction. We think that in acting thus we have avoided an additional delay which would have had serious consequences for the company.

[Question] There is another aspect too, the social aspect of the Project. Has there been planning at the SNIM level for starting up recruitment and training of the personnel who will be in charge of running the plant at the same time as the construction is started up?

[Answer] This aspect has been somewhat delayed which is understandable in the sense that the company was already having difficulties assuring financing for the Project, especially concerning restructuring capital and loans.

Thus, the aspect of personnel needs and training has been relatively neglected. Nevertheless, we have, towards the beginning of the year around April and May, the necessary dispositions to study these problems. Just recently I presided over a meeting in Zouerate where company officials along with our engineering consultants put together the personnel needs and necessary qualifications of the Project and thus recruitment and training could begin.

The principle options in this area, linked to the nature of the Project, have been taken. They concern orientation from the technical point of view for maintaining the new material, the possibilities of transferring present SNIM personnel at Kedia to the mine at Guelbs El Rhein. All these elements have been closely studied and we know our needs and are now in the process of studying the means of meeting them.

The means of satisfying these needs are of different kinds: a reform of our training system, an appeal outside the country in the area of training and also appeals both domestic and foreign for recruitment. This group of elements is now being studied and we hope to get the system perfected in good time.

[Question] On the technical level, if I have understood right, the beneficiation plant at the Guelbs Project is something special. What can you tell us about its quality?

[Answer] The magnetic beneficiation process already exists in several countries. Our project differs from the old system in two elements:

First, the system we are applying consists of separation using permanent magnets which attract the ore and consequently separate it from the siliceous gangue. This system does not need energy in itself, that is to say, the energy is made simply by rotation. But it is not the source for constituting the magnets themselves, that is a technical difference.

Secondly, and more importantly for our Project and for Mauritania, the separation is done dry. There is no need for water. This is essential because in the Zouerate region we have a considerable water problem. There is not sufficient water to guarantee a supply for the people and for industrial use too.

A research program has been completed, a second program is being laid out for which we will call on exterior sources as it is not a strictly SNIM project. The interests of SNIM and the people coincide. The advantage of the Project is that additional water needs that we cannot find at the site will not be imposed.

[Question] Apart from the technical aspect, there is another question: the Guelbs Project is to be effected in two phases. Guelbs I is being started up. When will Guelbs II begin?

[Answer] In principle, production for Guelbs II should begin in 1990. Until then, Guelbs I will be the star. The only problem which could come up is that of financing, that is to say that when Guelbs I is well underway, and its production goal reached, the technical experience will have been gained, the financial experience, that is the profitability of the operation as a whole and the capacity of SNIM to honor its commitments from the point of view of foreign debt will be gained too.

The profits for the pre-financing of the second Project will have been known precisely and not to accelerate the installation of Guelbs II.

So everything is there:

A goal to achieve;

A market that can absorb additional production;

SNIM's technical capacity to meet these needs;

SNIM's capacity to honor its foreign financial commitments.

This is a judgment which could perhaps be improved. But as things are now, realization of Guelbs II is definitely forecast for 1990 and 1991.

[Question] Sir, the Guelbs Project will take up in the years 1984-85 when everything indicates there will be a crisis in the iron and steel industry. Do you think that this product will be competitive in the market then?

[Answer] All we can say now is that the ores of Guelbs are varied enough to be appreciated on the market. We think that, in spite of the difficulties, there will always be a good position for commercialization. That's all we can say for the moment: for we begin production in 1983 and there are no definite forecasts for steel and iron. Very simply we know our ore is a quality product which will probably always be favored. Moreover, I think that we have two natural advantages:

first, our proximity to the European markets which are the biggest consumers of the ore. Consequently, the increase in transport costs will keep us in this position, and

on the other hand, we have a port of relatively large capacity which can receive ships up to 150,000 tons. This also constitutes an important advantage over ports which can only receive the smaller ships.

Thus, I can say that we are entering the competition with some strong trump cards, which will give us maximum advantage. Everything points to being optimistic.

8860

CSO: 4400

SAHARA DISPUTE BETWEEN MOROCCO, ALGERIA DISCUSSED

Paris AL-MUSTAQBAL in Arabic 2 Feb 80 pp 38-40

[Interview with Acting Minister of Foreign Affairs M'hamed Boucetta by Faris Bazzi: Morocco's Minister of Foreign Affairs Tells AL-MUSTAQBAL: "Dispute Over Sahara Is Nothing More Than a Dispute Between Morocco and Algeria; We Are Buying Weapons from United States Because It Is Our Only Source; Our Relationship with Iran Is Not Good Now, but We Hope It Will Be Good; Sahara Problem Is Not Related to Morocco's Defense Plans"]

[Text] The question of the Sahara has again captured the increasing attention of observers following the state of calm experienced by the area because of the attack launched by the Moroccan military Ahad commune against Polisario bases in the heart of the Sahara and the success of this commune in gaining almost total control over conditions there.

Observers here believe that the fact that the meeting between the Moroccan Monarch King Hassan the Second and Algerian President Chadli Bendjedid did not take place, in addition to the recent changes that occurred in Mauritania and Algeria, will restore to the question of the Sahara the state of tug of war whose developments would make the achievement of a peaceful settlement to the question of the Sahara quite unlikely in the foreseeable future.

In the last 3 weeks Lt Col Ould Haidalla assumed power in Mauritania. Then he reshuffled the cabinet in a manner that was not reassuring to the Moroccan press which commented that although it was acquainted with President Ould Haidalla's desire to keep Mauritania neutral on the question of the Sahara, the presence of certain figures, who are well-known for their strong relations with Algeria, in sensitive ministries in the new cabinet, will obstruct the realization of this desire.

In Algeria the recent cabinet reshuffle was completed. It was described by some circles here as [an effort to] endorse the balance between the two factions that are ruling Algeria today following the removal of Bouteflika from his position as counselor to President Chadli Bendjedid and as the last person in what is called the Oujda Group which had continued to govern

Algeria until the death of the late President Boumedienne. Some observers here explained the fact that the Algerian president made no reference to the question of the Sahara in the speech he made when he met with party and official leaders last week, saying that the omission was a clear indication of President Bendjedid's desire to give priority to the internal condition, especially after he sensed the seriousness of the recent student and labor disturbances. The fact that he did not deal with the question of the Sahara may have a good effect [on the matter] and may expedite the achievement of a peaceful settlement to this question. But the statement that was made recently by 'Umar Hadrani, one of the leaders of the Polisario, stating that the Polisario was preparing [itself] for launching a military attack "to impose peace by force on Morocco in 1980" was considered a maneuver by the faction supporting the Polisario in the Algerian government to exert pressure on President Chadli Bendjedid.

It was in this atmosphere last Thursday that two committees of the U.S. Congress began looking into U.S. President Carter's program to sell arms to Morocco. This program was established last October. Official Moroccan circles are confident that the Congress appears to be inclined to approve the program of President Jimmy Carter's administration. In the past this question had aroused some differences in points of view within the administration of the U.S. President.

AL-MUSTAQBAL met with Mr M'hamed Boucetta, acting minister of foreign affairs in Morocco. It interviewed him about Morocco's point of view on the questions that are being discussed.

[Question] Can you let us know the specific points that Moroccan delegations will take up in their meetings with African officials?

[Answer] The delegations that went to a number of African countries, carrying letters from His Majesty the King to the heads of African states are seeking first and foremost to renew direct contact with these countries. In the past, Morocco was not able to have diplomatic representation on the embassy level in all the African countries. It was therefore imperative that we renew [our] contacts, especially under these circumstances, for the purpose of making the bilateral relations between Morocco and these countries friendly on the one hand, and mutually beneficial, on the other. These delegations can also make field studies of the areas and the possibilities for cooperation between our country and the country which is being visited. The delegations can explain our point of view on the question of the Sahara because a number of African states were not fully aware of the question. Because of the circumstances in which they found themselves, they were compelled to adopt positions that in our judgment were not established on a sound basis or on full knowledge. It was imperative, therefore, that these delegations visit these specific countries so that officials in these countries can at least find out the historical, geographical and legal truth about the question of the Sahara. Among the things that are being said is that Morocco wanted to take over land that was not its own, even though

there is evidence and there are arguments that prove that this land is Moroccan territory. There are those who are saying that some principles must be honored, such as the principle of self-determination. As far as we are concerned, the matter has to do with completing the territorial unity of Morocco. And even if we assumed that the principle of self-determination must be applied in this area, [we can say] that that principle has been applied, and area residents have expressed their opinions and their wishes through the commune and in the elections that took place there. There are people even in Africa--and this is not strange--who do not know that when the area was occupied by Spain, that when Spain left it after agreements were reached, and that after the real resistance which Morocco carried out to liberate its territory, the number of resident [in that area] according to an official UN census barely came to 74,000 persons--old people, men, women and children. We are prepared to demonstrate that nine tenths of this figure are still in their residences in the same Sahara. If barely one tenth of this figure left the area, we cannot, with the situation being what it is, put the principle of self-determination into practice with one tenth of the total residents and subjugate [the remaining] nine tenths.

The Moroccan delegations that left Morocco with documents have plenty of time to explain such matters especially to our brothers in Africa. We want cohesiveness with Africa because we are an African country, and we must play our role in Africa. Also Africa's present, its future and the experiences of its people are essential to us. We do not want--after some facts were distorted last year--for the situation to remain as it is. This is the mission of the delegations.

[Question] It is expected, and this is known, that Algeria and the Polisario will raise the question of the OAU recognizing the Saharan Republic at the next organization meeting for the ministers of foreign affairs in the hope that this recognition will be achieved at the next summit conference. What will be Morocco's position in case the OAU recognizes the Saharan Republic?

[Answer] If recognition does take place, it will not change anything because the fact is that the Polisario is a cover for one of the conditions. As I said before if scores of desert residents did take refuge or were forced to take refuge in other areas, then what is now called the Polisario is a group of people who have no relationship whatsoever to the Sahara. Recognizing something like the Polisario does not alter facts. This is one side [of the coin]. On the other hand, we are hoping that Africans will try to understand the problem in more specific terms. You know that with regard to Morocco there is total unanimity among its citizens' political, trade-unionist and cultural factions. All these factions are in complete agreement about this question which we regard as a sacred question for our people because it is a question of completing our territorial unity.

[Question] It seems that after recent developments the area is returning to the same maelstrom of tension. There are those who regard the cabinet

shuffles that took place in Mauritania and Algeria and the statements that were made by some Polisario officials [as developments that] will not altogether serve what is called the dynamics of peace in the area especially since these developments are occurring in the context of renewed talks about Arab and French diplomatic efforts to achieve a peaceful settlement in the area. How do you view this matter?

[Answer] What I want to affirm before anything else is that we look upon what is happening in Mauritania and Algeria as domestic matters for both countries. The fact that we are neighbors of both countries makes us see on the one hand that our soil, our land and the existing tension in the area are of interest to both these two countries. It is on this basis that we keep a close watch on all the developments that occur here and there. The policy that has been adopted with regard to Mauritania--in spite of the changes and the friction that occurred--has created some confusion in the area. As far as we are concerned in Morocco, we want our relations with Mauritania to remain amicable and good because we consider our destiny to be one, and we think that our security in this area is of interest to each one of us regardless of what may take place. We will increase the efforts that must be made for more cooperation and joint action in the common interest. As far as Algeria is concerned, you've known for a long time what we've done to end this tension and [you've known about] the agreement [we have] for joint action to build the Arab Maghreb. There are in fact mediations and attempts to find a way to put an end to this tension. Morocco has always supported dialogue to end this tension. Some friendly and Arab as well as non-Arab fraternal countries did make these attempts. The most recent one was that of President Habib Bourguiba. He was trying to establish the suitable atmosphere for dialogue. We are still hoping that these efforts will prepare a suitable climate for action that would end this tension.

[Question] Have specific points been achieved through these efforts? Where now is the question of the meeting between King Hassan the Second and Algerian President Chadli Bendjedid?

[Answer] What we have is Morocco's clear, positive answer. This is that King Hassan notified President Habib Bourguiba that he was prepared for a meeting. We do not yet know what the answer was on the other side. At any rate I can affirm that Morocco and the King of Morocco are fully prepared to have this meeting because we see in it blessings for the area.

[Question] Do you think that the mission of the Committee of Arbitrators has come to an end after its recent decision?

[Answer] There is now an open dialogue with the president of the OAU who had sent a delegation, which included the minister of foreign affairs of Liberia and the secretary general of the OAU, to the king to acquaint him with the deliberations that had taken place in the recent meeting. The reply to the letter that President Tolbert addressed to His Majesty the

King will be forthcoming. I can add that while some members of the Committee of Arbitrators were taking sides against Morocco, Morocco had undertaken the initiative and the king had addressed President Tolbert himself to overcome this problem which we consider to be artificial. The king called for a summit meeting of the heads of the countries that are adjacent to the Sahara. This is because there is not a Western Sahara only; there is at least an Eastern Sahara [also], and we know there is a Central Sahara. The initiative was undertaken to overcome this matter so that the entire area of the Sahara would become an area of cooperation and development instead of an area of tension. This too is what we are asking the president of the OAU to take into consideration.

[Question] Does Morocco have any objections to the Polisario being represented in an Algerian delegation in any meeting that takes place between Algeria and Morocco for negotiations?

[Answer] As you know the Polisario are dispatched from Algeria. If there is any meeting between Morocco and Algeria on any level, Morocco will not investigate individuals. This is a matter that is of interest to Algeria. The truth of the matter is that the existing dispute is between Morocco and Algeria.

[Question] Some circles have been saying that the recent withdrawal of the last Moroccan units from Mauritanian territories will force Morocco to expedite its request that Mauritania withdraw from the town of (Laghwirah) so it can be restored to Morocco. Is there any truth to this?

[Answer] The Moroccan army that was once present in Mauritania was there, as is well-known, at the urgent request of Mauritania itself. With regard to the withdrawal from Mauritanian territory, I can re-affirm that Morocco was the first to ask that the army withdraw from Mauritania. I had personally delivered a message from the king of the land to Mauritanian officials more than a year ago, requesting that the Moroccan army return to Morocco. Mauritania replied that it was necessary to keep the Moroccan army for some time. There were measures and technical steps with regard to the passes through which the army had to return or with regard to carrying some of the equipment. Some people also wanted to turn this question into a point of contention and dispute, but this did not materialize. Regarding the question of (Laghwirah) you know that it is geographically attached to Rio de Oro. Mauritania announced that it was willingly giving up part of the Sahara that had been under its administration. The town of (Laghwirah) is included in this part. We do not want to arouse a sharp argument about this question, but the matter is this: to know whether or not (Laghwirah) is part of this area. The matter is on its way to being solved.

[Question] Let us go back a little [to the time] when the United States decided some months ago to provide Morocco with weapons. It was then said that the delivery of arms to Morocco was tied to negotiations that must take place to settle the question of the Sahara peacefully. What is the truth about the facts that are related to this subject?

[Answer] Some people tried to make the subject of arms a political rather than an ordinary, technical matter. This is because any country selects the area from which it will purchase weapons to defend itself when it cannot manufacture these weapons itself. At a time when we see Algeria, for example, purchasing weapons from the Soviet Union with nobody knowing anything about the large quantities it is receiving, we do find that the matter becomes suspect because it deals with other parties. The United States has had an old agreement with Morocco since the sixties and the early seventies, [even] before the question of the Sahara, to supply Morocco with some weapons. There were some political discussions in some U.S. circles regarding the use of these weapons, but what I can affirm is that the matter is now proceeding in a normal fashion. On our part we are asserting that we do not want the weapons we are purchasing from the United States or from any other country to carry out any aggression or any attack. We want the weapons to defend our soil. This is what we have been trying to explain to the United States and to other countries.

[Question] You have recently been charged with making a visit to Riyadh to deliver a letter from King Hassan to the Saudi monarch. The letter deals with the Soviet intervention in Afghanistan. It seems that a final opinion has not yet been reached about a date for convening an emergency meeting of the ministers of foreign affairs of Islamic countries to discuss this matter. What were the results of the consultations that you carried out? Do the Islamic countries intend to undertake any serious and effective steps against the Soviet intervention in Afghanistan?

[Answer] We have noticed that anxiety prevailed in all the Islamic countries after the Soviet intervention in Afghanistan. Our interest in this matter was considerable for several considerations. First, Afghanistan is an Islamic country, and Morocco is presiding over the current session of the Islamic Conference. It was inevitable that there be consultations with the secretariat general of the Islamic Conference and with some brothers in the conference, and especially with Saudi Arabia and Iraq. This was how the meeting which I was charged to have with officials in Saudi Arabia came about. I had a letter from His Majesty King Hassan the Second to His Majesty King Khalid. In the course of our contacts with all the members of the Islamic Conference, it became evident that there would have to be a unified plan and a unified position. This position intends to establish first that some international rules and stipulations must be honored. Intervention in the affairs of any country violates the agreements that bind us in the Islamic Conference, in the United Nations or in international organizations. We also consider such an intervention to be not only a dangerous precedent for us and for countries neighboring Afghanistan, but it also threatens peace in this area and perhaps in the world. It is for this reason that we took the initiative to convene this conference, and we will strive to have a unified position and to undertake several specific measures that I have no clear notion of now. But we must have consultations about these measures in the conference.

[Question] There are those who are saying that Soviet intervention in Afghanistan will in one way or another serve the right of the Palestinian people to determine their own destiny. Consequently, it will serve to solve the Lebanese question since the Egyptian-Israeli-U.S. settlement did remove the Soviet Union from participating in [the formulation of] a comprehensive solution to the Palestinian question. The magnitude of the Soviet presence in Afghanistan will have positive consequences in the interests of the Palestinian question. This will come about through the possible participation of the Soviet Union in any future negotiations. What is your comment about this?

[Answer] Our position with regard to a solution to the Middle East question is that a settlement must be comprehensive and must be built on clear bases determined in open, international conferences. What is of particular interest to us in this regard is the Arab Summit Conference that was convened in Rabat in October 1974. It is necessary that there be withdrawal from all Arab territories occupied in 1967. This includes Jerusalem. It is necessary that the Palestinian question be considered a basic question in the dispute, and that a state be established for the Palestinian people who are represented by the PLO. Finally, it is necessary that the solution be comprehensive and not partial. This is what justified our clear position vis a vis the Camp David Accords. We also see very clearly that it is necessary for all the international forces that have influence in the area to take part in the comprehensive settlement. This includes the Soviet Union. But this does not prevent us from considering what happened in Afghanistan to be interference in the affairs of an Islamic country. It is not inconsistent with the fact that we consider the course of affairs in the Middle East not to be that which would lead to a comprehensive solution.

[Question] What is the nature of Morocco's present relations with Iran?

[Answer] Unfortunately, our relations with Iran now are not solid and strong. We wish it were the other way round. However, we are hoping that after the Iranian situation settles down, Iran, being a Muslim country and a member of the Muslim Congress, will show strong support for the Arab cause, unlike the situation in the past. We hope that matters between Iran and Morocco on the one hand, and between Iran and all its neighboring countries on the other, will be restored to good and strong relations.

8592

CSO: 4402

FEUDAL INTERESTS DISTURB BENI MELLAL PROVINCE

Farmers Jailed

Casablanca AL-MUHARRIR in Arabic 18 Jan 80 p 1

[Article: "Beni Mellal Court Passes Stiff Sentences Against Defendants in Land Case; All Farmer Defendants Receive Stiff Sentences in Spite of Proof of Their Innocence by the Defense"]

[Text] While public opinion expected release of all 29 detainees in the land case in Tadila Circle, the Court of First Instance of Beni Mellal yesterday issued very stiff sentences which were not expected by either the detainees or the numerous observers of this trial. The sentences were as follows:

1. Four farmers: 3 years in prison.
2. Eleven farmers: 2 years.
3. Thirteen farmers: 6 months suspended sentence.
4. One farmer: referred to Juvenile Court.

The sentences have given rise to widespread resentment among inhabitants of the area as well as among circles interested in Beni Mellal.

Provincial Officials Undermine Agreement

Casablanca AL-MUHARRIR in Arabic 18 Jan 80 p 4

[Article: "Suspicious Moves to Back Out of Agreement on Land Case in Beni Mellal"]

[Text] Moroccan public opinion has followed with great interest the incidents in the latter part of last December in Tadilah circle in Beni Mellal Province. This could be due to the social character and the economic and political implications of these incidents. Factual circumstances and the

behavior of some members of the administrative system reveal the latter's standing connection with capitalist feudalism in this region. [The situation in] this region can be regarded as a live example of conditions in the various regions of Morocco as long as the basic characteristic of the socio-economic-political system is to make the poor poorer and to protect and develop the interests of the exploitative rich, thus widening the gap between the two groups.

The strong will of the citizens, their firm faith in the necessity of their unity, and their steadfastness in defending the land they historically and legally own broke feudal power and exposed the repressive system which helps feudalists who seek to seize other people's lands by force. But the victory which drove out the feudal herd has been a result of great sacrifices in which the farmers suffered all kinds of repression and unbearable maltreatment, including the placing of some of them on trial on the basis of trumped-up accusations.

When the problem was solved with the help of high officials of the central administration of the Ministry of Interior, it was obvious that one official of the provincial administration and his supporters were not satisfied with the solution which did some justice to the farmers who are the lawful owners of the land. The bunch of feudalists were upset. Therefore, it was expected that some provincial officials would spare no effort to destroy the agreement, since their oppressive nature cannot tolerate justice to the oppressed citizens. As soon as the land owners thanked God for getting their land back and for the region's stability, these officials began moving their pawns to regain lost influence whose only purpose was support of feudalism, and dissemination of discord and conflict among the citizens of Beni Mellal, Tadilah and El Ksiba circles.

Accordingly, methods were devised which, to say the least, do not serve their own creators and are basically contrary to the interests of the country in the present decisive phase. These methods spring from a narrow, classical outlook which ignores the nature of the struggle and its rules and does not comprehend the dynamics of change and the fundamentals of the social life of the people. To put it more clearly, these officials actually resorted to making direct and indirect contacts with their agents and pawns on two fronts, namely the front of El Ksiba and the front of Beni Mellal and Tadilah.

The first front includes the Dir region inhabited by the proud Atlas people who fully realize that the originators of the conflict and the beneficiaries of the pastoral lands where the incidents occurred, are only a few members of feudal families in El Ksiba circle who are very well-known by everybody. The citizens of El Ksiba circle did not feel they were a party to this conflict. Despite all this, pawns were used to incite citizens to complain, even if it meant signing petitions requesting cancellation of the agreement. The water supply of some inhabitants of Beni Maaden was then cut off to tighten pressure on them [to complain]. It

was rumored that a big landlord in El Ksiba would have to pay continuously for water, if the [agreement] was carried out. All this, of course, was aimed at creating causes for tension and conflict between the inhabitants of Dir and those of Beni Maaden who usually get their water supply from Dir.

On the second front, the agitators began to incite the inhabitants of Beni Maaden and Ait Rbaa against each other by stirring-up tribal fanaticism, employing for this purpose agents that are famous for their contemptible actions and enmity for the citizens.

The agitators made suspicious contacts, within and outside the province. They then stirred up some artificial problems for the purpose of creating discord and division among the owners of pastoral lands. An example of the artificial problem is that the inhabitants of Beni Mellal circle are dissatisfied with the agreement, because Oulad Sma'il of the Tadilah circle share pastoral lands with them, and cultivate part of that land, while other interested parties do not have that privilege.

The objective of all the above is to attempt by all means to create tension and discord for the obvious purpose of proving that the agreement previously reached is not suitable. This would mean that the point of view of its opponents was correct from the start, and that the central administration officials who coordinated the agreement were wrong.

In the face of these actions by some provincial officials, we are informing national public opinion of the developments taking place in the area. [Intrigue] will not succeed as long as the citizens' will to hang on to their lands, their rights and their unity is strong. At the same time, we draw the attention of the central administration in the Ministry of the Interior to the facts of regional and local actions by certain [provincial] officials. Responsibility for any consequences of these actions will be borne by those who try to fish in troubled waters.

9455

CSO: 4402

NEW TRIALS AS REPRESSION OF WORKERS

Casablanca AL-MUHARRIR in Arabic 16 Jan 80 p 1

[Article by "Candid": "Candidly Speaking"]

[Text] Trials, initiated, organized at specific times and locations by the authorities, have come into the picture again. In the new trials, as in those held previously, tax evaders, money smugglers or those stealing the country's wealth do not face the judge. Those who do, are in all cases members of the toiling classes, such as laborers, peasants, educators or health care workers.

Trials are pouring on the repressed people from Agadir to Beni Mellal. This is due to the anti-public policy that tends to repress toilers and oppress those who struggle continuously and desperately to abolish injustice, abuse and tyranny. This policy caters to those who take advantage of their political, administrative and economic influence. That these trials hit the toilers only, is part of a clear and well-known policy whose aims are obvious. But why, one wonders, are these trials revived at this specific time, and what is the purpose of making Morocco appear to be a country with a never-ending chain of trials?

Whatever explanations are offered by the enemies of the people, and the enemies of their liberation, democracy and socialism, there are two objective facts no one can deny. The first fact is the existence of a deep economic, social and political crisis in our country. This suffocating and exhaustive crisis hurts both rural and urban people. The second fact is that crises cannot be concealed, solved, controlled or reduced by any means of repression, pressure or violence. On the contrary, repression only breeds more crises and despair. Are the enemies of the public in general, and the union in particular, specifically pushing in this direction?

We will say no more than that the socialist union is continuously pursuing its course to establish real democracy, actual social justice and total freedom, whatever the cost may be in terms of effort, hardship and self-sacrifice.

9455

CSO: 4402

ATTACKS ON UNION MEMBERS, GENERAL CRIME IN KSAR EL KEBIR

Casablanca AL-MUHARRIR in Arabic 17 Jan 80 p 5

[Article by Correspondent in Ksar El Kebir: "Wave of Crime and Violence Hits the City"]

[Text] The City of Ksar El Kebir faces an absence of constructive planning that takes into consideration public needs and requirements; an absence of work opportunities; a closing of doors in the face of the country's youth; and a socio-economic-political crisis in all areas. This is an inherently organizational crisis, not a circumstantial crisis related to conditions in the Sahara as some opportunists like to describe it. The city also faces bankruptcy of the government in all fields, including the fields of work opportunities, youth care and progressive popular culture. It also faces a policy of mass expulsion of students from secondary and other city schools. In view of all this, the city of Ksar El Kebir, like all other Moroccan cities, has been hit by a wave of crime and violence.

Provocative attacks were made on the house of the general secretary of the local office of the National Education Union by groups who could not be restrained by the secretary. The attacks began at 10:00 P.M. and lasted until about 1:00 A.M.

Likewise, a teacher, who is the wife of one of the members of the local office of the Socialist Union (of People's Forces), was attacked upon leaving the school following a meeting to mark the end of the first semester of the school year.

It is evident that these attacks are within the framework of provocation of party and trade union struggling brothers--provocation which they are used to face with firmness, bravery and a strong will.

In addition to these repressive-style attacks, other highly dangerous crimes were committed.

For example, within the last few days a young girl was murdered in El Ouamra forest near Ksar El Kebir. She was disfigured and parts of her body were amputated. Another incident was the disfiguring of a corpse in the Christian graveyard.

Another teacher was attacked at her doorstep by criminals who snatched her purse containing personal jewelry.

Lately, there have been frequent attacks on houses, especially in late night hours.

Faced with this wave of violence and crime that horrifies and frightens the citizens, we wonder: where is the security agency and where are the policemen who are supposed to protect the citizens and insure peace and stability?

9455

CSO: 4402

PROBLEMS AT MOROCCAN PHOSPHATES OFFICE AIRED

Casablanca AL-MUHARRIR in Arabic 18 Jan 80 p 1

[Letter to Prime Minister from USFP (Socialist Union of People's Forces) Deputy Muhammad Mansur: "Seriousness of Social and Management Problems at OCP (Moroccan Phosphates Office)"]

[Text] Muhammad Mansur, USFP member and Deputy of the city of Casablanca, addressed a letter to the Prime Minister about management of the OCP and the seriousness of social problems endured by workers of this office. The text of the letter follows.

You were the president of the board of directors of OCP who completed a study on the current status of this national institution and its potential in the future. Due to the importance of the role of this national office in the national economy on the one hand, and the gravity of the social problems its workers are suffering on the other, it is necessary to shed some light on what happens at this institution. Accordingly, I am requesting you to provide the public with the necessary information on the following points:

1. The development of the volume of phosphates production since 1974.
2. The marketing of phosphates during this period (1974-79), including quantity, value and future potential.
3. The investment program and its costs, and the timetable for its completion.
4. Methods and procedures the government intends to apply for monetary, technical and administrative control of the OCP in order to put an end to the current system that makes it a state within a state.
5. Within the framework of the current campaign for energy conservation, how is the government going to solve the problem inside the OCP? Its building in Casablanca consumes as much electrical power as both El-Jadida and Azemmour cities, which is approximately 1 million centimes daily.

6. With regard to a dialogue with union organizations, which the government approved in principle, how does the government intend to compel the OCP general administration to open discussions with the National Union of Phosphates Workers to solve the increasing problems faced by workers and employees at phosphates mines and other OCP facilities, so that the colonialist conditions endured by this sector in the years 1947-55 will not be repeated?

9455

CSO: 4402

BRIEFS

CHEMICAL FERTILIZER PRODUCTION--Engineer Muhammad Sa'id al-Mishal, director of the administrative board of the chemical fertilizer plants in Umm Sa'id, announced that production by the two fertilizer plants (Qafku)-1 and (Qafku)-2 in 1979 totaled 360,000 tons of ammonia and 475,000 tons of urea fertilizer. Engineer Al-Mishal explained that these figures indicate a production increase of about 40,000 tons of ammonia and 60,000 tons of urea fertilizer over the production [figures] anticipated and set by the [production] plan at the beginning of this year. He pointed out that Plant No 2, recently built in accordance with plans for expansion, already began actual production, along with Plant No 1, of ammonia and urea fertilizer at the beginning of the second half of 1979. He said that the technical difficulties which had delayed production at Plant No 1, when it was first put into operation, had already been eliminated when Plant No 2 was put into operation. [Thus Plant No 2] achieved high rates of production beginning with its first days of operation. Al-Mishal added that work is proceeding at a high rate of efficiency and that, since the first few months of operation of the two plants, production has reached a rate which is higher than the capacity designed for them. Al-Mishal explained the reasons for the success in operations, saying that the efficiency of the plants has increased due to modifications of equipment, climatic conditions during the last few months, and the abundance of gas. All of that contributed toward achieving an increase in production. Concerning the marketing of ammonia and urea fertilizer production, he gave his assurance that markets for these products have expanded, and include various countries in addition to fellow Arab nations. This is due to the good reputation of the fertilizers produced, and to the methods followed in international marketing operations. Both factors have made these plants among the most successful of their type in the area. [Text] [Doha AL-'URUBAH in Arabic 3 Jan 80 p 4] 9468

CSO: 4802

'HORIZONT' PRINTS INTERVIEW WITH BA'TH PARTY OFFICIAL

AU261042 East Berlin HORIZONT in German No 8, 1980 p 12 AU

[Interview with 'Abdallah al-Ahmar, deputy secretary general of the Arab Socialist Ba'th Party of Syria, by unnamed HORIZONT correspondent--possibly during his GDR visit 30 January-4 February, although date and place not given: "Syria-GDR Relations for the Benefit of Both Peoples"]

[Text] [Question] The seventh regular regional congress of the Ba'th Party ended recently after 2 weeks of consultations. How do you assess its significance?

[Answer] The seventh regional congress of the Arab Socialist Ba'th Party [ASBP] drew a sober, critical balance of Syria's social development and passed a number of decisions on the country's domestic, foreign and economic policy as well as on questions of the party's organization.

We were able to point with satisfaction to Syria's manifold achievements made under ASBP leadership. The detailed analysis of some difficulties, problems and shortcomings in domestic and economic development took up a large share of time at the congress. The 771 delegates discussed in depth the possibilities as to how to overcome these problems and how to enable our country to enter into a new stage of its development, and how to consolidate the uniform and unanimous action of the people's masses. The activities directed toward that goal are destined to create the prerequisites to deepen our people's perseverance and to enable them to support the struggle of the other Arab nations against imperialism as well as against the machinations of Zionism and its allies in the Arab area. Our struggle aims at freeing the occupied Arab territories and returning to the Palestine people the rights of which they have been robbed, including the right to return to their homeland and to erect an independent national state under PLO leadership.

The congress reelected Hafiz al-Asad, the president of our Arab republic, as secretary general of the Ba'th Party. Furthermore, a 75-member Central Committee--which had not existed in the ASBP before now--and a party Control and Inspection Committee were elected, and the regional command leadership was extended to comprise 21 members.

One can undoubtedly state that this congress, compared to the ones preceding it, represents a new quality which will become manifest in the consolidation of the national unity and in the continuation of our people's struggle under the party's leadership.

[Question] What possibilities does the Ba'th Party see regarding the activation of the National Progressive Front?

[Answer] The National Progressive Front was created in 1972 [and] is one of Syria's most important political achievements. It is the result of the efforts of progressive forces to consolidate the cohesion of our people. The National Progressive Front has furnished a great contribution in further developing political life in Syria. It succeeded in deepening the cooperation among all the parties assembled in this front, in setting up new signs of orientation for the further building of the society in our country. The decisions of the ASBP's seventh regional congress emphasize the necessity to support this front and to increase its influence on the masses. The ASBP will shortly take new steps in implementing these decisions in order to further activate the front's work.

[Question] The peace-loving world is extremely worried about the activities and machinations of U.S. imperialism in the Near and Middle East. Just consider the increased support for the Israeli aggressor, the concentration of American warships near the Persian Gulf, the creation of a so-called intervention force, the threats and slanders in connection with the developments in Iran and Afghanistan. During your meeting with Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, he also outlined the GDR's point of view on this situation. How do you view our republic's positions?

[Answer] We have discussed the tense situation in the Middle East which has evolved especially after the separate agreement of Camp David. Both sides condemned the agreements concluded there and emphasized the necessity to put up resistance to this agreement which has led Egypt from the Arab front over to the side of the Israeli aggressor and the United States.

The GDR emphasized Syria's consistent stance against the imperialist conspiracies in the Middle East. We paid tribute to the GDR's fundamental attitude in support of our just struggle against Israel's aggression and the plans of imperialism and Zionism. We also discussed the most important international developments, especially the imperialist maneuvers against the security of the peoples in Europe, in the Persian Gulf and the Indian Ocean. It was stated unanimously that the actions of imperialism in these regions aim at liquidating the achievements of the Iranian revolution. The United States is trying to take advantage of the events in Afghanistan in order to bring the world to the brink of war and to exacerbate the international situation by the deployment of

fleets in the Persian Gulf. These machinations will fail because they meet with the determined resistance of the peace-loving peoples.

[Question] Comrade Secretary General, how do you assess the state of relations between the GDR and the Syrian Arab Republic, and how will your visit contribute to the further shaping of this cooperation?

[Answer] First of all I would like to thank you for the opportunity to report in HORIZONT on the visit of an ASBP delegation to the GDR. With deep satisfaction I express the joy of our party delegation over the successful talks with SED representatives. I would like to point especially to the important meeting of our delegation with Erich Honecker, Central Committee general secretary and GDR State Council chairman, which meeting took place in a friendly and open atmosphere. In the talks with Hermann Axen and the other comrades from the party leadership, too, satisfaction over the state of relations between our two peoples and parties was expressed. The necessity was stressed to further develop these relations in the interest of our two peoples and parties, the building of the socialist society, the struggle of the Arab peoples against Zionism and imperialism, and in the interest of peace and detente.

During our visit we were able to see with our own eyes that a friendly people is living here which exercises solidarity with us and is determined to build a developed socialist society. Our delegation was able to note that we and the socialist countries stand in a common front against imperialism and Zionism.

The relations between Syria and your republic have developed swiftly and on a high level since the visit by President Asad to the GDR in 1978. We are very happy about the deepening SED-ASBP cooperation and the state of relations between Syria and the GDR in the economic, scientific-technical and cultural fields. It is our wish to expand the bilateral cooperation between our parties, states and peoples even further.

CSO: 4403

TWO EMIRATES INTERESTED

Paris AL-NAHAR AL-ARABI WA AL-DUWALI in Arabic 27 Jan 80 pp 24-26

[Article: Contest Between Governors Is a 'Newspaper War'; War on Paper Will Replace Political [Intrigue] Between Governors of Dubai and Al-Sharjah; Will the Old Enmities Explode?"]

[Text] "The contest between the emirates, or rather between all the shaykhs, has changed into a fight on paper." With these words a high authority in the government of the UAE commented on the formation of large newspaper companies which have begun to appear in large numbers.

"Behind each company there is a shaykh, and each shaykh has a motive for forming and financing the company," continued this high authority. He was commenting on the forest of newspapers sprouting in shaykhdoms whose native populations barely exceed 20 or 30 thousand, and which have readerships that do not justify issuance of a periodical featuring social columns about visitors, weddings, and obituaries.

What's the story behind these companies?

The first newspaper company, which will begin its operations in two weeks, appeared in the emirate of Dubai. Its ownership up to now is "unknown." Some say it belongs to Shaykh Rashid ibn Sa'id al-Maktum, governor of Dubai and vice president and prime minister of the UAE. Others claim that it is jointly owned by Governor Rashid and Hammad Mahdi al-Tajir, his personal advisor for commercial, political and oil affairs, and ambassador of the UAE to London. It is also said that it belongs to Shaykh Hamdan al-Maktum, son of Shaykh Rashid. Finally, it is said to belong to Dubai Radio and Color Television, an independent organization which has no ties with the Federal Ministry of Information and is only subject to it in name. However, it is a commercial station which is owned by the governor, his advisor, and a number of the governor's sons. It has realized profits [not just in Dubai] but elsewhere.

The story is not clear, but it is certain that the newspaper company, just like the radio and television station owes direct allegiance to

the governor of Dubai. Since the station was successful, its manager Riyadh al-Shu'aybi was appointed manager of the newspaper.

Al-Shu'aybi, a man of prodigious dynamism, came from the occupied West Bank. He worked as a radio announcer and news editor on the radio program "The Voice of the Trucial Coast" (name of the shaykhdoms of the UAE before the British withdrawal and the establishment of the union at the end of 1971). The radio station was located in the Marqab camp which was an airport and military base for the British in the Shaykhdom of al-Sharīqah.

From newscaster to correspondent to journalist, al-Shu'aybi moved from the base to the mansion of the governor of Dubai, as friend of the governor's advisor al-Tajir, until the radio and television station was founded. The station gave him such a big name in the region that he was elevated to the post of media advisor to the governor, in addition to his other responsibilities.

As manager of the newspaper company, al-Shu'aybi was able to wind up construction of its new building in 2 months. It is a huge building comprising tens of rooms, editorial halls, offices of department directors, storerooms, huge printshops, business sections, and garages for transport and distribution vehicles.

Al-Shu'aybi contracted with about 200 editors and correspondents who cover about 70 countries in which they reside. He imported the necessary printing presses, and is now preparing to publish AL-BAYAN, a political daily and AL-SADA, a political weekly. Invested capital so far amounts to 32 million dirhams (about 28 million Lebanese lira).

Al-Shu'aybi has said that the newspaper company's policy will be to have an Arab point of view first, and to be independent of [government] second. This may be a long-term view of independence. The company will inevitably become a weapon in the hands of Dubai's governor who has differences of opinion with other governors of the emirates--on economic and administrative matters, if not on political issues.

As his close friends and observers know, Shaykh Rashid is farsighted and is a successful administrator. He does not undertake anything without success. He transformed Dubai from an arid desert into a large bustling city. He knows how to secure complete financing from abroad for his huge projects. He repays the debts of this financing out of the productivity of these projects.

Just like the Dubai Radio and Television Station, the newspaper company is a new media weapon with which to counter AL-ITTIHAD, the official mouthpiece of the UAE published in Abu Dhabi. Though characterized by realism and objectivity, AL-ITTIHAD is still subject to the influence of the emirate of Abu Dhabi and its governor and UAE President Shaykh Zayid bin Sultan al-Nahayyan.

Just as Shaykh Zayid has his own newspaper, Shaykh Rashid wanted to have his own newspaper as well. Of course, it will be an "independent" and "unionist" paper, but, when necessary, it will reflect the interests of the emirate of Dubai and its governor.

This is one side of the desert media war. There is another involving al-Khalij Press, Publication and Printing Company headquartered in the emirate of al-Sharjah. AL KHALIJ was at the outset of the 70's a newspaper of the elite, the progressive and the pragmatic. It was published by two young brothers from al-Sharjah, Tarim 'Abdullah Tarim and 'Abdullah 'Amran Tarim.

When the regime pulled out, the new regime asked al-KHALIJ to turn off its progressive views, and appointed one of its owners, Tarim, as first UAE ambassador to Cairo. Shortly after 'Abdullah was appointed minister of education and instruction.

When relations with Cairo were broken off after the Khada Summit, Tarim returned to al-Sharjah to be chosen as president of the National Federal Assembly (equivalent to a house of representatives). After the cabinet crisis of a year ago and the outbreak of disagreement between Dubai, Abu Dhabi and the other emirates over the constitution, the powers of the head of state, and the continuous absence of the prime minister (who was then Shaykh Maktum Ibn Rashid al-Maktum, crown prince of Dubai), a settlement was reached whereby Shaykh Rashid himself, the father of the absentee prime minister, was charged with forming a new government. Rashid made some alterations, the most important of which was the removal of 'Abdullah Amran Tarim of al-Sharjah from the Ministry of Education. Rashid accused 'Abdullah of having been behind student protests in support of Shaykh Zayid's "unionist" policy as opposed to the "separatist" policy of Rashid.

The victory of Rashid amounted to "defeat" for al-Sharjah whose governor, Shaykh Sultan ibn Muhammad al-Qassi, and whose people in general are proud of their federalist and Arab nationalist inclinations.

Outwardly it would appear that the contest is between Dubai and al-Sharjah, but, behind the scenes, it is between a clear federalist line openly embraced by Shaykh Zayid and supported by the governor of al-Sharjah, and a "pragmatic" line embraced by Shaykh Rashid and supported by Governor of Ra's Khaymah Shaykh Saqr ibn Muhammad al-Qasimi. Of course, the proper thing was to bring this secret contest to the surface in the press. Thus, since Dubai had a newspaper, al-Sharjah might as well have one of its own. Make it a private firm so that it would not implicate the governor and his government. And so, to avoid a "governmental" image for the al-Sharjah newspaper, it was entrusted to Rashid 'Amran Tarim, brother of 'Abdullah and Tarim. Rashid Tarim resigned from a position in the Foreign Ministry to take the new assignment.

Al-Khalij Company will issue a daily newspaper, AL-KHALIJ, as well as a weekly magazine, just like its Dubai counterpart--eye for eye, tooth for tooth.

The Tarim brothers deny any relationship between the governor of al-Sharjah and the company, just like the Dubai organization denies links to Shaykh Rashid. Observers know, however, that each governor stands behind his newspaper for the purpose of waging a Dubai-al-Sharjah war. Dubai wants to impose the ambitions and interests of Dubai on the rest of the state, especially on Abu Dhabi and its governor, and to continue to encircle and isolate al-Sharjah so that it can no longer compete with Dubai in growth or social development.

For its part, al-Sharjah wants to support the federalist policy of the president of the state and governor of Abu Dhabi, and to defend the interests of al-Sharjah which have almost been swallowed up by Dubai's expansion.

Of course, it will be a war of words. But the people of the Persian Gulf are waiting to see if it is going to be bitter.

Will the dictates of the paramount interests of the state be abided by? Will it be taken into account that the state cannot withstand tremors, even journalistic ones, at a time when the entire region is threatened with upheavals from all sides?

The future will tell.

9587

CSO: 4802

UNITED ARAB EMIRATES

BRIEFS

DEMOLISHED HOUSING REPARATIONS--The budget of Abu Dhabi for this year included a special appropriation to compensate citizens whose houses are torn down in Abu Dhabi and al-Ayn. To this end the budget designated a sum of 400 million dirhams aside from [amounts for] the annual development program. This municipal allocation is in accordance with the directions of His Highness Shaykh Zayid bin Sultan al-Nahayyan, president of the UAE and governor of Abu Dhabi, to expand the scope of social services for the citizenry, and to provide adequate health services, sanitary works, and national beautification. The budget also included appropriations to finance a larger program to teach the holy Koran and appropriations to provide the necessary equipment and salaried positions to put the new Abu Dhabi airport into operation. The first section of the airport is expected to be completed in the middle of this year. The budget included financial appropriations and salaried positions for the Seaports Authority to insure the smooth running of seaport facilities in a manner which serves the country's economy. Necessary appropriations and salaried positions were also provided for the Water and Electric Authority in both Abu Dhabi and al-Ayn to carry out the new projects, provide electricity to keep pace with the needs of the building boom and rapid development, and insure electricity to villages in remote regions. The budget also allocated necessary sums to cover the disparity between rents and housing allowances for employees under local contracts. [Text] [Abu Dhabi AL-ITTIHAD in Arabic 22 Jan 80 p 3] 9587

CSO: 4802

END

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